

**RIVERTON CITY CORPORATION
RIVERTON, UTAH
BASIC FINANCIAL STATEMENTS**

For The Year Ended June 30, 2006

RIVERTON CITY CORPORATION
TABLE OF CONTENTS
For The Year Ended June 30, 2006

	<u>Page</u>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 7
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds	10
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets	11
Statement of Revenues, Expenses, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Revenues, Expenses and Changes in Fund Balances – Budget and Actual – General fund – Governmental Funds	14
Statement of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Governmental Funds	15
Statement of Net Assets – Proprietary Funds	16
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18
Notes to Financial Statements	19 - 44

RIVERTON CITY CORPORATION
TABLE OF CONTENTS
For The Year Ended June 30, 2006

Supplemental Information:

Schedule of Capital Projects – Capital Project Fund.....	45
Schedule of Revenues, Expenses, and Changes in Fund Balance – Capital Project Fund	46
Schedules of Impact Fees.....	47-52

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of City Council
Riverton City Corporation
Riverton, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of Riverton City Corporation, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Riverton City Corporation Utah's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverton City Corporation, as of June 30, 2006, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 13, 2006 on our consideration of Riverton City Corporation's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 8 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Riverton City Corporation's basic financial statements. The individual major fund financial statements and schedule of impact fees are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual major funds financial statements and schedule of impact have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wiggins + Co. P.C.

Sandy, Utah
December 13, 2006

Riverton City, Utah
Management's Discussion and Analysis
for fiscal year ended June 30, 2006

This document provides a narrative discussion and analysis of the financial activities of Riverton City for the fiscal year ended June 30, 2006. Riverton City management encourages readers to consider the statements herein in addition to the comments made here. During fiscal year 2004, the City implemented new financial reporting standards established by GASB (the Government Accounting Standards Board). These new standards significantly changed the content and structure of the financial statements. As a result, much of the information is not easily comparable to previous years. Future reports will include more extensive prior year comparisons.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion is an introduction to the City's Basic Financial Statements. The Basic Financial statements include three components: 1.) government-wide financial statements, 2.) fund financial statements, and 3.) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The **government-wide financial statements** are designed to provide readers with a broad overview of Riverton City's finances, in a manner similar to a private-sector business. The government-wide financial statements are comprised of 1.) the Statement of Net Assets and 2.) the Statement of Activities.

The Statement of Net Assets presents information on all of Riverton City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as an indicator of the City's overall financial condition. However, you will need to consider other nonfinancial factors.

The Statement of Activities helps to identify functions of the City that are primarily supported by tax dollars and other general revenues (governmental activities) along with other functions that are intended to recover all or most of their costs through user fees and charges. Riverton City's business type activities include culinary water, secondary water, sanitation, and street lighting.

The **fund financial statements** provide detailed information about individual major funds and not the city as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All of the City's funds are divided into two categories: governmental funds, and proprietary funds.

- **Governmental Funds** – Most of the City's basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide financial statements. The major governmental funds (as determined by generally accepted accounting principles) are the General Fund, Capital Project Funds, and Impact Fee Funds.
- **Proprietary Funds** – Riverton City maintains one type of proprietary fund, the enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Riverton City uses enterprise funds to account for its Culinary Water, Secondary Water, Sanitation, and Street Lighting.

Notes to the financial statements found within these financial statements provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

During the past fiscal year of 2005-2006, the Home Depot opened a facility at 13400 South and the Bangerter Highway in Riverton. It was anticipated that this store would generate approximately \$200,000 per year in point-of-sale sales tax revenue distribution. The actual amount was \$255,309. In addition, the individual pad sites adjacent to the Home Depot are now being developed. Winger's, Chili's, and Bajio Restaurants are now open. The additional acreage is being offered to midsize retail box users.

In November of 2006, a Lowe's Home Improvement Store opened at the northeast corner of the Bangerter Highway and 12600 South. It is anticipated that this store will generate a similar amount of point-of-sale sales tax revenue that is being provided by Home Depot, amounting to \$200,000 to \$250,000 of additional revenue to the City. There are also ancillary pad sites that are being marketed at this location.

In November of 2006, construction began on a new Wal-Mart Super Center located on the south side of 13400 South at the Bangerter Highway. With an expected opening of December 2007, it is anticipated that this store will generate an estimated \$400,000 per year point-of-sale to Riverton City. Additional adjacent retail pad sites at this location will start to fill-in with the construction of the Super Center. There is currently an IHOP restaurant under construction at this location.

During the first quarter of 2007, Intermountain Health Care will begin construction of a regional hospital facility located on the southeast corner of 12600 South and the Bangerter Highway. This hospital will feature a Primary Children's component. As a result, the City has received numerous inquiries from developers regarding the possibility of constructing additional office space to support the uses generated by the hospital.

During the fiscal year ending June 30, 2006, Riverton City issued over 1,000 building permits. This represents an all-time record for the City. It is anticipated that in the 2006-2007 fiscal year, over 630 building permits will be issued. Several new large residential developments are underway that will keep a pipeline of building permit activity for the next several years.

GENERAL BUDGETARY HIGHLIGHTS

The following table identifies significant variations between the original and final budget amounts and between the final budget and actual amounts received or expended.

Description	Original Budget	+/-	Final Budget	+/-	FY 2006 Actual	Comments
Revenues						
	(in thousands)					
Building Permits	379	814	1,193	32	1,225	New construction exceeded all expectations
Subdivision Fees	30	30	60	24	84	
Plan Checking Fee	185	366	551	18	569	
Impact Fees-Parks	933	1,584	2,517	171	2,688	
Impact Fees-Fire	72	103	175	16	191	
Impact Fees-St Drain	488	-	488	93	581	
Impact Fees - Roads	969	1,768	2,737	(65)	2,672	
Impact Fees - Culinary	383	368	751	15	766	
Impact Fees - 2nd Water	429	430	859	20	879	
Sales & Use Taxes	2,640	540	3,180	141	3,321	retail sales higher than expected
Franchise Fees	1,225	-	1,225	458	1,683	under budgeted due to increase in utility costs
Culinary Water Sales	2,200	-	2,200	279	2,479	under budgeted due to population growth
Secondary Water Sales	1,900	200	2,100	206	2,306	under budgeted due to population growth
Sale of Assets	2,666	918	3,584	-	3,584	underestimated selling price of land
Expenses						
	(in thousands)					
Fire Protection	1,290	(550)	740	(97)	643	City joined Fire District on Jan 1, 2006
Class "C" Projects	1,517	362	1,879	(736)	1,143	constr / maint projects overlap budget yrs
Capital Outlay:						
Park Impact	584	1,938	2,522	(1,116)	1,406	increased development fueled the increase in budget; however, construction projects overlap budget years and scope of some projects has changed
Storm Drain Impact	1,554	200	1,754	(1,321)	433	
Road Impact	2,719	-	3,564	-	1,315	
Fire Impact	1,300	700	2,000	(100)	1,900	Increase in construction costs
Secondary Project	-	600	600	243	843	Continuation of project budgeted in prior yr
Relating to Land Sale	2,666	918	3,584	(2,879)	705	Council still considering best use money
Under grounding	600	-	600	(600)	-	Scope of project has changed
St Lighting Project	525	(15)	510	(510)	-	Scope of project has changed
Water Facility	1,000	(500)	500	(406)	94	Construction of Proj will be in FY 2007

Revenues. The majority of revenue variances between the original budget and fiscal year actuals were development related. The City's budget was based on 360 residential units, but the actual number of permits issued was over 1000. There continues to be phenomenal population growth in the southwest quadrant of the valley. During the calendar year ending December 31, 2005, over 3,000 building permits were issued in Riverton, Herriman, and South Jordan alone. Commercial development has also increased in Riverton, especially in areas accessible by the Bangerter Highway. The population growth due to residential development and increased commercial development has also contributed to the increased amount of not only sales tax revenue but also franchise fees generated within the City's boundaries. The inflated cost of utilities also played a part in the revenue collected for franchise fees.

Expenditures. The largest variance for a single expenditure line in the general fund was the cost of fire protection. Prior to January 1, 2006, the City contracted with the Unified Fire Authority (UFA) for fire protection service. In anticipation of the opening of a second fire station (grand opening was held in May 2006), the City Council decided to annex into the Salt Lake Valley Fire Service District (Fire District). The Fire District is a separate taxing district, which historically has provided fire protection for the unincorporated areas of Salt Lake County. Riverton City is the first city to annex into the Fire District. However, the district anticipates other cities within the valley to follow.

The very essence of the annexation to the Fire District is that the City shifted its property tax rate to the district as of December 31, 2005, and from that time forward the Fire District assumed the rights to collect property tax for fire protection and also assumed the obligation to cover the related cost. The affect of the annexation was a six-month's reduction in the cost of expenditure for fiscal year 2006. The annexation will also create a reduction in property tax revenue in the future.

The other notable variances in budget vs. actual expenditures relate to capital outlay in construction type projects. Many of these projects were in the design phase or underway at June 30, however, the actual construction overlapped fiscal years. A couple of the projects were delayed because the Council has or is still refining the scope of the projects.

GENERAL FIXED ASSETS AND LONG-TERM DEBT

Riverton City added \$5,211,486 in assets for governmental activities during the fiscal year. Current year additions include: \$182,048 in curb and gutter; \$1,463,831 for park projects; \$242,038 for Storm Drains; and \$132,247 for Roads. Other current year additions for governmental activities include: \$1,115,743 for land acquisition, \$1,817,870 in building improvements; \$72,678 in vehicles and \$185,031 in equipment.

Long-term debt relating to governmental activities of the City includes two capital leases. Both of the capital leases existed prior to fiscal year 2006. Riverton City also has two series of Franchise and Sales Tax Revenue Bonds (2001 and 2004A series). Series 2001 was issued for road construction of 12800 South. Series 2004A was issued for construction of the Civic Center. The City added no new debt to its general long-term debt group during 2006; however, the City is anticipating issuing new debt during fiscal year 2007 for the purpose of improving its roadways. The City also entered into a five-year capital lease obligation early in fiscal year 2007, for the purpose of acquiring and maintaining office printers.

The enterprise fund also has bonds outstanding; all of these bonds are water revenue bonds and were issued for construction of the City's secondary water system. No new debt was added to the City's enterprise fund during fiscal year 2006. Aside from the water revenue bonds, the enterprise fund has one capital lease outstanding for the purchase of sanitation equipment.

Government-wide Financial Statements
Statement of Activities
Comparing FY 2004, FY 2005, and FY 2006

Governmental Activities	2004	2005	2006
Program Revenues:			
Charge for services	\$5,100,118	\$2,283,721	\$3,109,716
Operating grants and contributions	1,129,546	875,093	1,081,886
Capital grants and contributions	1,179,734	6,115,555	8,055,973
Total Program Revenues	\$7,409,398	\$9,274,369	\$12,247,575
General Revenues:			
Property taxes	\$2,501,851	\$2,638,251	\$2,640,288
Sales tax	3,699,259	4,160,231	5,003,460
Other grants and contributions	116,378		
Gain on sale of fixed assets	30	287,756	3,302,236
Unrestricted investment earnings	245,905	258,087	958,211
Total General Revenues	\$6,563,423	\$7,344,325	\$11,904,195
Expenditures by function			
General government	\$2,113,394	5,519,150	3,518,599
Public safety	3,029,400	4,044,246	4,629,472
Highways and public improvements	3,541,741	1,346,259	3,831,974
Parks and Recreation	1,240,760	1,148,283	2,596,515
Contributions	33,572		
Civic Center			172,779
Total Expenditures	\$9,958,867	\$12,057,938	\$14,749,339
Transfers			(1,750,000)
Change in Net Assets	\$4,013,954	\$4,560,756	\$7,652,431
Net Assets - Beginning	112,009,600	116,023,554	120,584,310
Adjustment			(2,854)
Net Assets - Ending	\$116,023,554	\$120,584,310	\$128,233,887
Business-type Activities	2004	2005	2006
Revenue by Enterprise Service:			
Culinary Water	\$2,956,792	\$3,098,870	\$3,484,657
Secondary Water	2,191,290	2,825,637	3,192,740
Sanitation	969,699	1,013,233	1,075,859
Street Lighting	450,369	485,330	527,351
Other Grants & Contributions		1,912,101	1,383,805
Gain on Sale of Fixed Assets		3,200	
Loss on disposition of Fixed Assets			(68,223)
Unrestricted	152,421	233,653	390,627
Investment Earnings Income	81,381	65,908	13,543
Total Enterprise Revenue	\$6,801,952	\$9,637,932	\$10,000,359
Expenses by Enterprise Service:			
Culinary Water	\$1,906,260	\$1,935,572	\$2,252,898
Secondary Water	2,584,865	2,906,780	3,409,010
Sanitation	1,050,489	960,287	1,031,948
Street Lighting	495,349	601,880	677,791
Total Enterprise Expenses	\$6,036,963	\$6,404,519	\$7,371,647
Change in Net Assets	\$764,989	\$3,233,413	\$4,378,712
Net Assets - Beginning	37,226,872	\$37,991,861	\$41,225,274
Net Assets - Ending	\$37,991,861	\$41,225,274	\$45,603,986

RIVERTON CITY CORPORATION
STATEMENT OF NET ASSETS
June 30, 2006

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 11,044,915	\$ 2,793,352	\$ 13,838,267
Receivables:			
Accounts	110,266	611,729	721,995
Property and sales taxes	675,025	-	675,025
Franchise taxes	177,373	-	177,373
Intergovernmental	225,610	-	225,610
Due from other funds	-	546,666	546,666
Prepaid expenses	121,340	1,004,191	1,125,531
Total current assets	<u>12,354,529</u>	<u>4,955,938</u>	<u>17,310,467</u>
Restricted assets:			
Cash and cash equivalents	16,341,811	8,845,301	25,187,112
Total restricted assets	<u>16,341,811</u>	<u>8,845,301</u>	<u>25,187,112</u>
Noncurrent assets:			
Equity investment	-	1,207,024	1,207,024
Corner Canyon investment	-	7,293	7,293
Land held for resale	2,135,126	-	2,135,126
Capital assets:			
Land	66,560,630	1,724,696	68,285,326
Construction in progress	1,700,859	101,370	1,802,229
Other capital assets net of accumulated depreciation	41,333,677	41,710,455	83,044,132
Investment in shares of water	-	8,680,117	8,680,117
Total noncurrent assets	<u>111,730,292</u>	<u>53,430,955</u>	<u>165,161,247</u>
Total assets	<u>140,426,632</u>	<u>67,232,194</u>	<u>207,658,826</u>
Liabilities:			
Current liabilities:			
Accounts payable	1,160,835	609,393	1,770,228
Accrued liabilities	224,627	36,347	260,974
Deposits, retainage and deferred revenue	1,181,202	179,414	1,360,616
Due to other funds	546,666	-	546,666
Accrued interest payable	26,618	411,967	438,585
Bonds payable - due within one year	375,000	978,000	1,353,000
Capital leases payable - due within one year	13,432	21,781	35,213
Compensated absences - due within one year	17,872	10,461	28,333
Total current liabilities	<u>3,546,252</u>	<u>2,247,363</u>	<u>5,793,615</u>
Noncurrent liabilities:			
Bonds payable - due in more than one year	8,575,000	19,339,000	27,914,000
Capital leases payable - due in more than one year	-	-	-
Compensated absences - due in more than one year	71,493	41,845	113,338
Total noncurrent liabilities	<u>8,646,493</u>	<u>19,380,845</u>	<u>28,027,338</u>
Total liabilities	<u>12,192,745</u>	<u>21,628,208</u>	<u>33,820,953</u>
Net Assets:			
Invested in capital assets, net of related debt	100,631,734	31,877,857	132,509,591
Restricted for:			
Class "C" roads	2,072,555	-	2,072,555
Impact fees	9,529,641	4,276,915	13,806,556
Art museum	-	-	-
Traffic mitigation	5,344	-	5,344
Unrestricted	<u>15,994,613</u>	<u>9,449,214</u>	<u>25,443,827</u>
Total net assets	<u>\$ 128,233,887</u>	<u>\$ 45,603,986</u>	<u>\$ 173,837,873</u>

The accompanying notes are an integral part of these financial statements.

RIVERTON CITY CORPORATION
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2006

Functions/Programs: Primary government:	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
General government	\$ 3,518,599	\$ 2,224,820	\$ 20,933	\$ 1,653,452	\$ 380,606	\$ -
Public safety	4,629,472	559,355	14,599	339,064	(3,716,454)	-
Highways and public improvements	3,831,974	-	1,046,354	3,375,930	590,310	-
Parks and recreation	2,596,515	325,541	-	2,687,527	416,553	-
Civic Center	172,779	-	-	-	(172,779)	-
Total governmental activities	14,749,339	3,109,716	1,081,886	8,055,973	(2,501,764)	(2,501,764)
Business-type activities:						
Water	2,252,898	3,484,657	42,174	193,930	-	1,467,863
Secondary water	3,409,010	3,192,740	-	1,073,601	-	857,331
Sanitation	1,031,948	1,075,859	-	-	-	43,911
Street lights	677,791	527,351	-	74,100	-	(76,340)
Total business-type activities	7,371,647	8,280,607	42,174	1,341,631	-	2,292,765
Total Primary Government	\$ 22,120,986	\$ 11,390,323	\$ 1,124,060	\$ 9,397,604	(2,501,764)	2,292,765
General revenues:						
Property taxes					2,640,288	2,640,288
Sales and franchise taxes					5,003,460	5,003,460
Grants and contributions not restricted to specific programs					-	-
Gain on sale of fixed assets					3,302,236	3,302,236
Loss on disposal of assets					(68,223)	(68,223)
Unrestricted investment earnings					390,627	1,348,838
Equity investment income					13,543	13,543
Transfers					(1,750,000)	-
Total general revenues and transfers					10,154,195	12,240,142
Change in net assets					7,652,431	12,031,143
Net assets - beginning					120,584,310	161,809,584
Adjustment					(2,854)	(2,854)
Net assets - ending					\$ 128,233,887	\$ 173,837,873

The accompanying notes are an integral part of these financial statements.

RIVERTON CITY CORPORATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2006

	General	Special Revenue	Capital Project Fund	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 1,459,010	\$ -	\$ 9,585,905	\$ 11,044,915
Restricted cash and cash equivalents	2,630,159	333,170	13,378,482	16,341,811
Receivables:				
Accounts	107,866	2,400	-	110,266
Property and sales taxes	675,025	-	-	675,025
Franchise taxes	-	-	177,373	177,373
Intergovernmental	225,610	-	-	225,610
Due from other funds	453,334	-	1,246,741	1,700,075
Prepaid expenses	47,929	-	-	47,929
Land held for resale	-	2,135,126	-	2,135,126
Total assets	\$ 5,598,933	\$ 2,470,696	\$ 24,388,501	\$ 32,458,130
Liabilities:				
Accounts payable	\$ 749,363	\$ 1,811	\$ 409,661	\$ 1,160,835
Accrued liabilities	55,038	-	-	55,038
Deposits, retainage and deferred revenue	1,094,679	600	85,923	1,181,202
Due to other funds	-	2,071,741	175,000	2,246,741
Total liabilities	1,899,080	2,074,152	670,584	4,643,816
Fund balances:				
Designated for improvements	-	-	9,760,905	9,760,905
Reserved-				
Class "C" roads	2,072,555	-	-	2,072,555
Impact fees	-	-	9,529,641	9,529,641
Construction	-	-	4,427,371	4,427,371
Mitigation surcharge	5,344	-	-	5,344
Unreserved - undesignated	1,621,954	396,544	-	2,018,498
Total fund balances	3,699,853	396,544	23,717,917	27,814,314
Total liabilities and fund balances	\$ 5,598,933	\$ 2,470,696	\$ 24,388,501	\$ 32,458,130

The accompanying notes are an integral part of these financial statements.

RIVERTON CITY CORPORATION
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
For The Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances - governmental fund types	\$ 27,814,314
Deferred bond issue costs	73,411
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$156,231,191 less the accumulated depreciation of \$46,636,023.	109,595,165
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	(8,990,049)
Accrued compensated absences and other accrued liabilities are not due and payable in the current period and therefore, are not reported in the funds.	(258,954)
Net assets of governmental activities	<u>\$ 128,233,887</u>

The accompanying notes are an integral part of these financial statements.

RIVERTON CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2006

	General	Special Revenue	Capital Project Fund	Total Governmental Funds
Revenue:				
Property taxes	\$ 1,789,225	\$ 851,063	\$ -	\$ 2,640,288
Sales taxes	3,320,602	-	-	3,320,602
Franchise taxes	-	-	1,682,858	1,682,858
Licenses and permits	1,429,422	-	-	1,429,422
Intergovernmental revenues	1,069,923	-	-	1,069,923
Charges for services	1,290,560	-	-	1,290,560
Impact fees	-	-	6,254,849	6,254,849
Fines and forfeitures	340,460	-	-	340,460
Interest income	656,259	403	301,549	958,211
Miscellaneous	39,613	9,660	-	49,273
Total revenues	9,936,064	861,126	8,239,256	19,036,446
Expenditures:				
General government	1,988,323	66,463	46,152	2,100,938
Public safety	2,696,249	-	1,902,728	4,598,977
Highway and public improvements	1,711,765	-	2,094,162	3,805,927
Parks, recreation, and public property	1,150,648	-	1,406,461	2,557,109
Civic Center	-	-	172,779	172,779
Capital outlay	1,283,611	-	-	1,283,611
Total expenditures	8,830,596	66,463	5,622,282	14,519,341
Excess of revenues over (under) expenditures	1,105,468	794,663	2,616,974	4,517,105
Other financing sources (uses):				
Contributions	11,963	-	-	11,963
Grants	-	-	147,672	147,672
Proceeds from sale of assets	-	191,556	3,584,330	3,775,886
Interest, debt service costs, and bond issuance costs	-	(30,000)	(760,131)	(790,131)
Transfers in	850,000	-	4,513,741	5,363,741
Transfers out	(2,650,000)	(3,888,741)	(575,000)	(7,113,741)
Total other financing sources (uses)	(1,788,037)	(3,727,185)	6,910,612	1,395,390
Excess of revenues and other financing sources over (under) expenditures and other uses	(682,569)	(2,932,522)	9,527,586	5,912,495
Beginning fund balance	4,385,276	1,193,940	14,190,331	19,769,547
Adjustments to fund balance	(2,854)	2,135,126	-	2,132,272
Fund balance, end of year:	\$ 3,699,853	\$ 396,544	\$ 23,717,917	\$ 27,814,314

The accompanying notes are an integral part of these financial statements.

RIVERTON CITY CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds

\$ 5,912,495

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. The total additions of \$5,211,486 less contributed assets below of \$1,653,452 plus \$128,239 for land costs.

Capital outlay
Depreciation expense

\$ 3,686,273
(3,318,821)

367,452

In the statement of activities, contributed assets with an initial value of more than \$5,000 are capitalized and the contribution is recorded as revenue. In the governmental funds, such contributions are not recognized. This is the amount of contribution revenue that was recognized in the statement of activities.

1,653,452

Bond proceeds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the Statement of Net Assets. Repayments of bond and capital lease principal are expenditures in the governmental funds, but reduce liabilities in the Statement of Net Assets.

Accrued interest liability
Payment of bond principal
Capital lease payments

5,204
370,000
15,749

390,953

Costs associated with the issuance of bonds are capitalized in the statement of net assets and amortized over the life of the bond. In the governmental funds, these expenses are recorded as expenses in the period incurred. This is the amount of the current year amortization expense reported in the statement of activities.

(4,078)

The liability for compensated absences and other accrued liabilities are not recorded in the governmental funds but are reported in the statement of net assets. This is the current change in these liabilities, reported as an expense in the statement of activities.

(194,194)

In the fund statements, proceeds from the sale of assets are recorded as revenue, but in the statement of activities, only the gain is recognized as revenue. This is the cost of land sold.

(473,650)

Changes in net assets of governmental activities

\$ 7,652,431

RIVERTON CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND - GOVERNMENTAL FUNDS
For The Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget		
Revenues:				
Property taxes	\$ 1,698,000	\$ 1,745,886	\$ 1,789,225	\$ 43,339
Sales taxes	2,640,000	3,180,000	3,320,602	140,602
Licenses and permits	518,500	1,382,370	1,429,422	47,052
Intergovernmental revenues	1,048,500	1,251,000	1,069,923	(181,077)
Charges for services	615,262	1,137,220	1,290,560	153,340
Fines and forfeitures	325,500	347,500	340,460	(7,040)
Interest income	150,000	300,000	656,259	356,259
Miscellaneous	35,550	35,550	39,613	4,063
Total Revenues	7,031,312	9,379,526	9,936,064	556,538
Expenditures:				
General Government	2,124,516	2,211,539	1,988,323	223,216
Public Safety	3,481,550	3,026,600	2,696,249	330,351
Highway and public improvements	2,145,480	2,524,880	1,711,765	813,115
Parks, recreation, and public safety	1,176,145	1,285,233	1,150,648	134,585
Capital Outlay	1,037,300	1,381,460	1,283,611	97,849
Total expenditures	9,964,991	10,429,712	8,830,596	1,599,116
Excess of revenue over (under) expenditures	(2,933,679)	(1,050,186)	1,105,468	2,155,654
Other financing sources (uses):				
Contributions	-	5,000	11,963	6,963
Proceeds from sale of assets	-	-	-	-
Transfers in	850,000	950,000	850,000	(100,000)
Transfers out	-	-	(2,650,000)	(2,650,000)
Total other financing sources (uses)	850,000	955,000	(1,788,037)	(2,743,037)
Excess of revenues and other financing sources over (under) expenditures and other uses	\$ (2,083,679)	\$ (95,186)	(682,569)	\$ (587,383)
Unadjusted beginning fund balance			4,385,276	
Adjustment			(2,854)	
Fund balance, beginning of year			4,382,422	
Fund balance, end of year			\$ 3,699,853	

The accompanying notes are an integral part of these financial statement.

RIVERTON CITY CORPORATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND - GOVERNMENTAL FUNDS
For The Year Ended June 30, 2006

	Special Revenue			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 956,163	\$ 958,163	\$ 851,063	\$ (107,100)
Sales taxes	-	-	-	-
Franchise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Impact fees	-	-	-	-
Fines and forfeitures	-	-	403	403
Interest income	-	-	9,660	(2,340)
Miscellaneous	12,000	12,000	-	-
Total revenues	968,163	970,163	861,126	(109,037)
Expenditures				
General government	89,000	406,500	66,463	340,037
Public safety	-	-	-	-
Highway and public improvements	-	-	-	-
Parks, recreation, and public property	-	-	-	-
Capital outlay	280,000	980,000	-	980,000
Total expenditures	369,000	1,386,500	66,463	1,320,037
Excess of revenues over (under) expenditures	599,163	(416,337)	794,663	(1,211,000)
Other financing sources (uses):				
Proceeds from debt	-	-	-	-
Proceeds from grants	-	-	-	-
Contributions	-	-	-	-
Proceeds from sale of assets	483,000	483,000	191,556	291,444
Interest, debt service costs, and bond issuance costs	(30,000)	(30,000)	(30,000)	-
Transfers in	-	-	-	-
Transfers out	(2,817,500)	(1,817,000)	(3,888,741)	2,071,741
Total other financing sources	(2,364,500)	(1,364,000)	(3,727,185)	2,363,185
Excess of revenues and other financing sources over (under) expenditures and other uses	\$ (1,765,337)	\$ (1,780,337)	(2,932,522)	\$ (1,152,185)
Unadjusted beginning fund balance			1,193,940	
Adjustment for land held for resale			2,135,126	
Fund balance, beginning of year			3,329,066	
Ending			\$ 396,544	

RIVERTON CITY CORPORATION
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
For The Year Ended June 30, 2006

	Culinary Water	Secondary Water	Sanitation	Street Lights	Total
Assets:					
Current assets:					
Cash and cash equivalents	\$ 2,768,735	\$ -	\$ 24,617	\$ -	\$ 2,793,352
Prepaid expenses	1,945	1,002,246	-	-	1,004,191
Receivables:					
Due from other funds	3,187,180	-	-	-	3,187,180
Accounts	185,293	251,639	117,480	57,317	611,729
Total current assets	<u>6,143,153</u>	<u>1,253,885</u>	<u>142,097</u>	<u>57,317</u>	<u>7,596,452</u>
Restricted assets:					
Cash and cash equivalents	1,604,450	7,240,851	-	-	8,845,301
Total restricted assets	<u>1,604,450</u>	<u>7,240,851</u>	<u>-</u>	<u>-</u>	<u>8,845,301</u>
Noncurrent assets:					
Equity investment	-	-	1,207,024	-	1,207,024
Corner Canyon investment	7,293	-	-	-	7,293
Capital assets:					
Land	545,628	1,147,068	-	32,000	1,724,696
Construction in process	101,370	-	-	-	101,370
Property and equipment, net of depreciation	12,030,079	24,701,159	53,381	4,925,836	41,710,455
Invested in water shares	465,670	8,214,447	-	-	8,680,117
Total noncurrent assets	<u>13,150,040</u>	<u>34,062,674</u>	<u>1,260,405</u>	<u>4,957,836</u>	<u>53,430,955</u>
Total assets	<u>\$ 20,897,643</u>	<u>\$ 42,557,410</u>	<u>\$ 1,402,502</u>	<u>\$ 5,015,153</u>	<u>\$ 69,872,708</u>
Liabilities:					
Current liabilities:					
Accounts payable	\$ 120,590	\$ 359,955	\$ 98,425	\$ 30,423	\$ 609,393
Accrued liabilities	19,014	14,161	1,988	1,184	36,347
Due to other funds	-	1,553,836	453,334	633,344	2,640,514
Deposits, retainage and deferred revenue	21,518	157,896	-	-	179,414
Compensated absences - due within one year	6,058	4,067	116	220	10,461
Accrued interest payable	-	411,967	-	-	411,967
Capital leases payable - due within one year	-	-	21,781	-	21,781
Bonds payable - due within one year	-	978,000	-	-	978,000
Total current liabilities	<u>167,180</u>	<u>3,479,882</u>	<u>575,644</u>	<u>665,171</u>	<u>4,887,877</u>
Noncurrent liabilities - due in more than one year:					
Compensated absences	24,233	16,266	465	881	41,845
Bonds payable	-	19,339,000	-	-	19,339,000
Total noncurrent liabilities	<u>24,233</u>	<u>19,355,266</u>	<u>465</u>	<u>881</u>	<u>19,380,845</u>
Total liabilities	<u>191,413</u>	<u>22,835,148</u>	<u>576,109</u>	<u>666,052</u>	<u>24,268,722</u>
Net assets:					
Invested in capital assets, net of related debt	13,142,747	13,745,674	31,600	4,957,836	31,877,857
Restricted for impact fees	1,563,831	2,713,084	-	-	4,276,915
Unrestricted	<u>5,999,652</u>	<u>3,263,504</u>	<u>794,793</u>	<u>(608,735)</u>	<u>9,449,214</u>
Total net assets	<u>20,706,230</u>	<u>19,722,262</u>	<u>826,393</u>	<u>4,349,101</u>	<u>45,603,986</u>
Total liabilities and net assets	<u>\$ 20,897,643</u>	<u>\$ 42,557,410</u>	<u>\$ 1,402,502</u>	<u>\$ 5,015,153</u>	<u>\$ 69,872,708</u>

The accompanying notes are an integral part of these financial statement.

RIVERTON CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - PROPRIETARY FUNDS
For The Year Ended June 30, 2006

	Culinary Water	Secondary Water	Sanitation	Street Lights	Total
Operating revenues:					
Water sales	\$ 2,478,884	\$ 2,306,335	\$ -	\$ -	\$ 4,785,219
Garbage sales			1,075,859		1,075,859
Lighting sales				524,401	524,401
Impact Fees	765,568	879,205			1,644,773
Connection fees	204,112				204,112
Other revenue	36,093	7,200	-	2,950	46,243
Total operating revenues:	3,484,657	3,192,740	1,075,859	527,351	8,280,607
Operating expenses:					
Interest and debt service costs and bond issuance costs					
Salaries and wages	542,970	311,129	38,336	33,482	925,917
Employee benefits	238,716	114,691	18,996	14,105	386,508
Utilities	197,480	199,441	-	327,411	724,332
Water purchases	240,881	23,909	-	-	264,790
Landfill fees	-	-	286,038	-	286,038
Sanitation charges	-	-	651,967	-	651,967
Supplies and maintenance	341,736	73,844	21,474	16,342	453,396
Administrative	49,029	38,460	1,170	43	88,702
Depreciation	642,086	952,926	13,967	286,408	1,895,387
Total operating expenses:	2,252,898	1,714,400	1,031,948	677,791	5,677,037
Operating income (loss)	1,231,759	1,478,340	43,911	(150,440)	2,603,570
Nonoperating revenues (expenses):					
Interest income	77,955	312,672	-	-	390,627
Equity investment income	-	-	13,543	-	13,543
Grants	42,174	-	-	-	42,174
Bond interest expense	-	(1,694,610)	-	-	(1,694,610)
Loss on disposal of assets	(50,914)	(17,309)	-	-	(68,223)
Total nonoperating revenues (expenses)	69,215	(1,399,247)	13,543	-	(1,316,489)
Net income (loss) before contributions and transfers	1,300,974	79,093	57,454	(150,440)	1,287,081
Capital contributions	193,930	1,073,601	-	74,100	1,341,631
Transfer from other funds	1,600,000	125,555	-	450,000	2,175,555
Transfers to other funds	-	(125,555)	-	(300,000)	(425,555)
Net income	3,094,904	1,152,694	57,454	73,660	4,378,712
Net assets, beginning	17,611,326	18,569,568	768,939	4,275,441	41,225,274
Net assets, ending	\$ 20,706,230	\$ 19,722,262	\$ 826,393	\$ 4,349,101	\$ 45,603,986

The accompanying notes are an integral part of these financial statements.

RIVERTON CITY CORPORATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For The Year Ended June 30, 2006

	Culinary Water	Secondary Water	Sanitation	St Lights	Total
Cash flows from operating activities:					
Cash received from customers	\$ 3,609,392	\$ 3,184,329	\$ 1,072,091	\$ 524,193	\$ 8,390,005
Cash payments to suppliers for goods and services	(2,632,438)	1,620,981	(1,030,124)	(15,246)	(2,056,827)
Cash payments to employees and professional contractors for services	(757,277)	(411,213)	(56,810)	(46,590)	(1,271,890)
Net cash provided (used) by operating activities	\$ 219,677	\$ 4,394,097	\$ (14,843)	\$ 462,357	\$ 5,061,288
Cash flows from capital and related financing activities:					
Subsidy from federal grant	42,174	-	-	-	42,174
Principal payments on bonds	-	(943,000)	-	-	(943,000)
Principal payments on leases payable	-	-	(20,995)	-	(20,995)
Interest paid on bonds	-	(1,334,589)	-	-	(1,334,589)
Purchase of water shares	-	(288,624)	-	-	(288,624)
Transfer of assets in	1,600,000	125,555	-	450,000	2,175,555
Transfer of assets out	-	(125,555)	-	(300,000)	(425,555)
Net cash provided (used) by financing activities	1,642,174	(2,566,213)	(20,995)	150,000	(795,034)
Cash flows from investing activities:					
Interest from investments	77,955	312,672	-	-	390,627
Disposal of assets	110,613	-	-	-	110,613
Purchase of assets	(806,524)	(878,810)	-	(10,662)	(1,695,996)
Net cash provided (used) by investing activities	(617,956)	(566,138)	-	(10,662)	(1,194,756)
Net increase (decrease) in cash	1,243,895	1,261,746	(35,838)	601,695	3,071,498
Cash at beginning of year	3,129,290	5,979,105	60,455	(601,695)	8,567,155
Cash at end of year	\$ 4,373,185	\$ 7,240,851	\$ 24,617	\$ -	\$ 11,638,653
Reconciliation of operating income (loss) to net cash provided (used)					
by operating activities:					
Operating income (loss)	\$ 1,231,759	\$ 1,478,340	\$ 43,911	\$ (150,440)	\$ 2,603,570
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:					
Depreciation	642,086	952,926	13,967	286,408	1,895,387
(Increase) decrease in:					
Assets:					
Prepays	(1,945)	77,544	-	-	75,599
Accounts receivable	121,217	(17,454)	(3,768)	(3,158)	96,837
Equity investment	-	-	(78,459)	-	(78,459)
Due from other funds	(1,887,180)	-	-	333,344	(1,553,836)
Increase (decrease) in:					
Liabilities:					
Accounts payable	85,813	325,255	8,984	(4,794)	415,258
Accrued liabilities	24,409	14,607	522	997	40,535
Due to other funds	-	1,553,836	-	-	1,553,836
Deferred revenue	3,518	9,043	-	-	12,561
Net cash provided (used) by operating activities	219,677	4,394,097	(14,843)	462,357	5,061,288

NONCASH TRANSACTIONS:

Culinary Water Fund:

The City disposed of assets with original cost of \$221,996 and accumulated depreciation of \$171,082 resulting in a loss on disposal of \$50,914.
Contributed assets of \$193,930 were received by the City.

Secondary Water Fund:

The City disposed of assets with original cost of \$17,309 and no accumulated depreciation, resulting in a loss on disposal of \$17,309.
Contributed assets of \$1,073,601 were received by the City.

Sanitation Fund

The equity investment increased by \$13,543.

Street Lights Fund

Contributed assets of \$74,100 were received by the City.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Riverton City Corporation (the City) was incorporated on July 3, 1967, as a third class city under the provisions of the State of Utah. The City is a municipal corporation, which operates under an elected mayor – council form of government and provides the following services as authorized by its charter: public safety, highways, recreation, economic development, culinary water, secondary water, sanitation, and street lighting.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, and the City has chosen to do so. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (Statement). Beginning with the fiscal year ending June 30, 2004, the City implemented the statement which made the following significant changes to the City's financial statements (including notes to the financial statements):

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the City's activities including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

(A) The Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of the ability to exercise oversight is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(A) The Reporting Entity (continued)

The Riverton City Redevelopment Agency (RDA), an entity legally separate from the City, is governed by the members of the City Council. For financial reporting purposes, the Redevelopment Agency is reported as if it were part of the City's operations because its purpose is to finance and provide redevelopment services to citizens of the City. The RDA is reported as a special revenue fund.

The City is not a component unit of any other entity. The City's basic financial statements include all City operations.

(B) Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, parks and recreation, public works, and general administrative services are classified as governmental activities. The City's water, secondary water, sanitation, and street lighting services are classified as business-type activities.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those which are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they become available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The Special Revenue Fund accounts for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities. Accounting and financial reporting for general and special revenue funds are identical. The City accounts for the Riverton City Redevelopment Agency in a special revenue fund.

The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government (other than those financed by enterprise funds or non-expendable trust funds).

The City reports the following major proprietary funds:

The Culinary Water Fund accounts for the activities of the City's culinary water distribution system.

The Secondary Water fund accounts for the activities of the City's secondary water distribution system.

The Sanitation Fund accounts for the activities of the City's sanitation collection operations.

The Street Lighting fund accounts for the activities of the City's street light service operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the culinary water fund, the secondary water fund, the sanitation fund, and the street lighting fund, are charges to customers of the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(D) Budgetary Data

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements –

- (1) Prior to May 1, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted in the City to obtain taxpayer comments.
- (3) Prior to June 22, the budget is formally adopted after a public hearing.
- (4) The City Manager, has authority to transfer budget appropriations between individual line items within any department of any budgetary fund.
- (5) The City Council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.

Formal budgetary integration is employed as a management control device during the year for the general funds, special revenue funds, and capital project funds. In the General fund, budgets are adopted at the functional level and budgetary control is exercised at the departmental level. For special revenue funds, budgets are adopted and control is exercised at the level of total expenditures for each individual fund. For capital project funds, budgets are adopted and control is exercised at the project level.

Annual budgets for the General fund, all special revenue funds (Redevelopment Agency fund), and the capital projects fund were legally adopted by the City and are prepared on the modified-accrual method of accounting.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) Budgetary Data (continued)

Encumbrances (commitments related to unperformed purchase orders or contracts for goods or services) are used only as an internal management control device during the year. The City does not have any encumbrances outstanding at year end since appropriations lapse at year end. However, encumbered amounts are generally reappropriated and honored as part of the following year's budget.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

(E) Tax Revenues

The majority of property taxes are collected by the Salt Lake County Treasurer and remitted to the City in installments each fiscal year with a final settlement by March 31st. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. For the year ended June 30, 2006, the City has accrued \$2,225 for delinquent current and prior year's property taxes for the amount received within 60 days after fiscal year.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual of \$672,800 has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Utility and Telecommunication taxes are charged to various utility companies doing business within the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, semi-annual, or annual basis. An accrual of \$177,373 has been made for taxes due and payable to the City at June 30th.

(F) Deposits and Investments

Investments of the City are stated at cost. Investments consist of bond reserve accounts, and accounts at the Utah Public Treasurers Investment Trust (the State Treasurer's Pool), in the name of the City and are stated at cost, which approximate fair market value.

The governments' cash and cash equivalents are considered to be cash in bank, Utah Public Treasurer's Investment Fund, investment with bond trustee in Utah State Treasurer's Investment Fund, repurchased agreements, and cash on hand.

(G) Investment in Joint Venture

The investment in Trans-Jordan Cities Landfill, a 7.91% owned joint venture is accounted for by the equity method of accounting. Under this method, the Sanitation Fund (Enterprise Fund) records its share of the joint venture's net income or loss for each period.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(H) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	15 to 50
Buildings	25 to 50
Office equipment	5 to 15
Machinery and equipment	5 to 15
Vehicles	5
System infrastructure	20
Improvements other than buildings	30

(I) Property and Equipment, Proprietary Funds

Property and equipment are stated at cost. Depreciation has been provided using the straight-line method over a period of three to fifty years.

(J) Interest Capitalization

The City capitalizes net interest costs as part of the cost of constructing various utility projects when material.

(K) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are defined as cash in bank, Utah Public Treasurer's Investment Fund, investment with bond trustee in Utah State Treasurer's Investment Fund, repurchased agreements, and cash on hand.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(L) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Other receivables at June 30, 2006, consist of property tax, franchise tax, sales tax, grants, and accounts (billings for user charged services, including unbilled utility services). Taxes, grants, and utility charges are deemed collectible in full.

(M) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(N) Restricted Assets

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then the unrestricted resources as they are needed.

(O) Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(P) Compensated Absences

The amount for accumulated vacation leave and comp-time of governmental funds are recorded as a liability in the government-wide statement of net assets. The corresponding expense and expenditures are reported in the government-wide statement of activities. Accumulated vacation leave and comp-time of proprietary funds are recorded as an expense and a liability in those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

(Q) Long-term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(R) Fund Balances – Reserved

Reservations of the fund balance represent amounts that are appropriable and legally segregated for a specific purpose. The reserve fund balance in the General Fund represents a percentage of the surcharges the City collected on traffic violations that the State of Utah has designated to the City to mitigate the cost of traffic overflow through the City of Riverton as a result of the reconstruction of I - 15. The class "C" road funds is reserved for approved projects. The reserved fund balances in the Capital Projects Funds represent impact fees collected and funds reserved for capital project construction. These reserve fund balances are to be used exclusively for future expenditures for the purpose for which the funds were collected.

(S) Fund Balances – Designated

The City Council has elected to designate \$9,760,905 of the unreserved fund balance of the Capital Projects Fund for subsequent years' expenditures on planned construction projects.

NOTE 2 CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Interest earned on these funds is allocated to the funds based on their balances, which relate to pooled cash. Following are the components of the City's cash and investments at June 30, 2006:

Cash and cash equivalents	\$ 13,838,267
Restricted cash and cash equivalents	<u>25,187,112</u>
Total	<u>\$ 39,025,379</u>

The City's cash and investments are included in the accompanying fund financial statements as follows:

Governmental activities:	
Cash and cash equivalents	\$ 11,044,915
Cash and cash equivalents – Restricted assets	<u>16,341,811</u>
Total governmental activities	<u>27,386,726</u>
Business-type activities:	
Cash and cash equivalents	\$ 2,793,352
Cash and cash equivalents – Restricted assets	<u>8,845,301</u>
Total business-type activities	<u>11,638,653</u>
Total cash, cash equivalents and investments	<u>\$ 39,025,379</u>

RIVERTON CITY CORPORATION
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 2 CASH AND INVESTMENTS (Continued)

Deposits

Deposits are not collateralized nor are they required to be by state statute. However, the State Commissioner of Financial Institutions monitors financial institutions and establishes limits for deposit of public money at individual financial institutions, and the City follows these recommendations. The City also had \$200 of cash on hand at June 30, 2006. At June 30, 2006, the carrying amount of the City's deposits was \$1,417,583 and the bank balance was \$1,578,081. Of the bank balance, \$100,000 was covered by federal depository insurance.

The City follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the deposit of City funds in a "qualified depository". The Act defined a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Investments

At June 30, 2006, the City's investments balances were as follows:

<u>Investment type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
Utah Public Treasurer's Investment Fund	\$ 25,349,747	N/A	Unrated
Investment with Bond Trustee - in Utah State Treasurer's Investment Fund	4,991,189	N/A	Unrated
Repurchase Agreements	7,266,659	Daily	N/A
Total	<u>\$ 37,607,595</u>		

Interest Rate Risk. The City has no policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City invests in the Utah Public Treasurer's Investment Fund which is short term.

Credit Risk. The City has no policy regarding credit risk. The investment in the Utah Public Treasurer's Investment Fund is unrated. These monies are invested primarily in money market securities.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 2 CASH AND INVESTMENTS (Continued)

Investments (continued)

Custodial Credit Risk. For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's investment in repurchase agreements are uninsured and uncollateralized. The City has no policy on custodial credit risk.

Concentration of Credit Risk. The City places no limit on the amount that the City may invest in any one issuer.

The Utah Public Treasurer's Investment Fund (UPTIF) is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds. The Fund is not SEC registered. The fair value of the City's position in the fund is the same as the value of the fund shares.

Restricted Assets

General Fund – The restricted cash and cash equivalents of \$2,630,159 consist of reserves from, impact fees received, and funds for construction to be used only for the purpose defined by contract or under legal provisions.

Special Revenue Fund – The restricted cash and cash equivalents of \$333,170 from the special revenue fund are shown as restricted assets to be used only for purposes designed by contract or under legal provisions.

Capital Projects Fund – The restricted cash and cash equivalents of \$13,378,482 consist of reserves from, impact fees received, and funds for construction to be used only for the purpose defined by contract or under legal provisions.

Culinary Water Fund – The culinary water fund cash and cash equivalents totaling \$1,604,450 are shown as restricted assets to be used only for the purpose defined by contract or under legal provisions.

Secondary Water Fund – The secondary water fund cash and cash equivalents totaling \$7,240,851 are shown as restricted assets to be used only for the purpose defined by contract or under legal provisions.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 3 INVESTMENT IN AND ADVANCES TO JOINT VENTURE

Trans-Jordan Cities Landfill

The Sanitation Fund has a 7.91% ownership in the Trans-Jordan Cities Landfill (Trans-Jordan), which is accounted for by the equity method. In addition to the City, the Trans-Jordan Cities Landfill is owned by the cities of Midvale, Murray, Sandy, South Jordan, West Jordan, and Draper which own 5.92% 9.32% 33.20% 7.25% 10.25% 26.50% and 7.25% of the landfill, respectively. Trans-Jordan Cities Landfill is a separate legal entity and political subdivision of the State of Utah and was formed pursuant to the provisions of the Interlocal Cooperation Act. The City has no firm commitment to make additional equity investments in the Trans-Jordan Cities Landfill.

Trans-Jordan Cities Landfill was formed to construct, operate and maintain a refuse dumping facility. Trans-Jordan is governed by its Board of Directors. Under the organization agreement, the board of directors are appointed by the members. The management is under the board of directors, which elects officers and appoints the management staff.

	<u>Trans-Jordan Cities</u>	<u>Riverton City's Share</u>
Total assets	<u>\$ 19,467,748</u>	<u>\$ 1,539,899</u>
Total liabilities	<u>\$ 4,208,283</u>	<u>\$ 332,875</u>
Total equity	<u>\$ 15,259,465</u>	<u>\$ 1,207,024</u>
Total operating revenues	\$ 5,086,254	\$ 402,323
Total operating expenses	5,940,255	469,874
Net operating income (loss)	(854,001)	(67,551)
Total non-operating income (expenses)	1,025,216	81,095
Net income	<u>\$ 171,215</u>	<u>\$ 13,543</u>
Closure and post-closure liability	<u>\$ 3,774,619</u>	<u>\$ 298,572</u>

As part of the purchase of the equity investment in Trans-Jordan for \$26,409,000 the City agreed to pay \$50,000 a year for the next four years starting in fiscal year 1999. The City has fulfilled this obligation to Trans-Jordan as of June 30, 2003. In addition to the above payments, the City will pay the applicable non-member tipping fee for all municipal waste deposited at the Landfill. The difference between the member rate and the non-member rate shall serve as a credit towards the retirement of the purchase amount. Such credits shall commence on July 1, 1997. If at the end of the 15 years from July 1, 1997, the credits have not retired the principal sum, the balance of the purchase price shall be forgiven. When the purchase price is paid in full or forgiven, the City will pay the applicable member rate.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 3 : INVESTMENT IN AND ADVANCES TO JOINT VENTURE (Continued)

Trans-Jordan Cities Landfill (Continued)

The complete financial statements for Trans-Jordan Cities Landfill for the year ended June 30, 2006, can be obtained from Trans-jordan Cities, 10873 South 7200 West, South Jordan, Utah 84095

NOTE 4: PROPERTY, PLANT, AND EQUIPMENT – ENTERPRISE FUNDS

A summary of the changes in assets at June 30, 2006, and depreciation expense for the Culinary Water Utility Fund:

	June 30, 2005	Addition	Deletions	June 30, 2006
Land	\$ 548,132	\$ -	\$ (2,504)	\$ 545,628
Water shares investment	465,670	-	-	465,670
Water distribution mains	18,237,238	718,358	(114,705)	18,840,891
Buildings and structures	131,882	-	(7,442)	124,440
Construction in process	7,424	93,946	-	101,370
Machinery and equipment	303,328	150,640	(91,698)	362,270
Vehicles	<u>229,832</u>	<u>37,510</u>	<u>(5,648)</u>	<u>261,694</u>
Total	<u>19,923,506</u>	<u>1,000,454</u>	<u>(221,997)</u>	<u>20,701,963</u>
Less accumulated depreciation	<u>(7,088,213)</u>	<u>(642,086)</u>	<u>171,083</u>	<u>(7,559,216)</u>
Total fixed assets	<u>\$ 12,835,293</u>	<u>\$ 358,368</u>	<u>\$ (50,914)</u>	<u>\$ 13,142,747</u>

A summary of the changes in assets at June 30, 2006, and depreciation expense for the Secondary Water Utility Fund:

	June 30, 2005	Addition	Deletions	June 30, 2006
Land	\$ 1,158,018	\$ -	\$ (10,950)	\$ 1,147,068
Water shares investment	6,960,039	1,258,518	(4,110)	8,214,447
Water distribution mains	26,127,028	982,516	(2,249)	27,107,295
Buildings and structures	1,580,515	-	-	1,580,515
Vehicles	<u>148,464</u>	<u>-</u>	<u>-</u>	<u>148,464</u>
Total	<u>35,974,064</u>	<u>2,241,034</u>	<u>(17,309)</u>	<u>38,197,789</u>
Less accumulated depreciation	<u>(3,182,189)</u>	<u>(952,926)</u>	<u>-</u>	<u>(4,135,115)</u>
Total fixed assets	<u>\$ 32,791,875</u>	<u>\$ 1,288,108</u>	<u>\$ (17,309)</u>	<u>\$ 34,062,674</u>

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 4: PROPERTY, PLANT AND EQUIPMENT – ENTERPRISE FUNDS (Continued)

The following is a summary of changes in assets at June 30, 2006, and depreciation expense for the Sanitation Fund:

	June 30, 2005	Addition	Deletions	June 30, 2006
Machinery and equipment	\$ 17,920	\$ -	\$ -	\$ 17,920
Vehicles	<u>85,225</u>	<u>-</u>	<u>-</u>	<u>85,225</u>
Total	<u>103,145</u>	<u>-</u>	<u>-</u>	<u>103,145</u>
Less accumulated depreciation	<u>(35,797)</u>	<u>(13,967)</u>	<u>-</u>	<u>(49,764)</u>
Total fixed assets	<u>\$ 67,348</u>	<u>\$ (13,967)</u>	<u>\$ -</u>	<u>\$ 53,381</u>

A summary of the changes in assets at June 30, 2006, and depreciation expense for the Street Light Fund:

	June 30, 2005	Addition	Deletions	June 30, 2006
Land	\$ 32,000	\$ -	\$ -	\$ 32,000
Street Lights	<u>7,072,604</u>	<u>84,762</u>	<u>-</u>	<u>7,157,366</u>
Total	<u>7,104,604</u>	<u>84,762</u>	<u>-</u>	<u>7,189,366</u>
Less accumulated depreciation	<u>(1,945,122)</u>	<u>(286,408)</u>	<u>-</u>	<u>(2,231,530)</u>
Total fixed assets	<u>\$ 5,159,482</u>	<u>\$ (201,646)</u>	<u>\$ -</u>	<u>\$ 4,957,836</u>
Grand totals for enterprise funds	<u>\$ 63,105,319</u>	<u>\$ 3,326,250</u>	<u>\$ (239,306)</u>	<u>\$ 66,192,263</u>
Grand total for accumulated depreciation	<u>\$ (12,251,321)</u>	<u>\$ (1,895,387)</u>	<u>\$ 171,083</u>	<u>\$ (13,975,625)</u>

Depreciation expense was charged to functions/programs of enterprise funds as follows:

Business-type activities:	
Water utility	\$ 642,086
Secondary water utility	952,926
Sanitation	13,967
Street lights	<u>286,408</u>
Total depreciation expense – business-type activities	<u>\$ 1,895,387</u>

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 5 CAPITAL ASSETS

Capital assets for the year ended June 30, 2006, were as follows:

	<u>June 30,</u> <u>2005</u>	<u>Addition</u>	<u>Deletions</u>	<u>June 30,</u> <u>2006</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 65,444,887	\$ 1,115,743	\$ -	\$ 66,560,630
Construction in progress	1,856,740	-	(155,881)	1,700,859
Total capital assets not depreciated	<u>67,301,627</u>	<u>1,115,743</u>	<u>(155,881)</u>	<u>68,261,489</u>
Capital assets depreciated:				
Buildings	6,574,768	1,973,751	-	8,548,519
Building improvements	997,876	-	-	997,876
Improvements	8,178,569	1,463,831	-	9,642,400
Machinery and equipment	893,002	185,031	-	1,078,033
Vehicles	1,270,923	72,678	-	1,343,601
Infrastructure: storm drain	16,094,329	242,038	-	16,336,367
Infrastructure: streets	30,855,795	132,247	-	30,988,042
Infrastructure: curb and gutter	8,330,587	182,048	-	8,512,635
Infrastructure: sidewalks	10,522,227	-	-	10,522,227
Total capital assets depreciated	<u>83,718,076</u>	<u>4,251,624</u>	<u>-</u>	<u>87,969,700</u>
Less accumulated depreciation for:				
Buildings	921,824	189,107	-	1,110,931
Building improvements	124,019	67,794	-	191,813
Improvements	2,013,491	297,134	-	2,310,625
Machinery and equipment	621,547	86,990	-	708,537
Vehicles	722,143	119,848	-	841,991
Infrastructure: storm drain	6,460,813	402,380	-	6,863,193
Infrastructure: streets	24,840,333	1,526,940	-	26,367,273
Infrastructure: curb and gutter	3,381,146	277,703	-	3,658,849
Infrastructure: sidewalks	4,231,886	350,925	-	4,582,811
Total accumulated depreciation	<u>43,317,202</u>	<u>3,318,821</u>	<u>-</u>	<u>46,636,023</u>
Total capital assets depreciated, net	<u>40,400,874</u>	<u>932,803</u>	<u>-</u>	<u>41,333,677</u>
Governmental activities capital assets, net	<u>\$ 107,702,501</u>	<u>\$ 2,048,546</u>	<u>\$ (155,881)</u>	<u>\$ 109,595,166</u>

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 5 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 251,528
Public safety	36,349
Highways and public improvements	2,778,999
Parks, recreation and public property	<u>251,945</u>
Total depreciation expense – governmental activities	<u>\$ 3,318,821</u>

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2006, is as follows:

Due to/from primary government and component units:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General fund	Sanitation fund	\$ 453,334
Capital projects fund	Community fire fund	175,000
Culinary water fund	Street lights fund	633,344
Culinary water fund	Special revenue fund	1,000,000
Culinary water fund	Secondary water fund	1,553,836
REDIIF fund	Special revenue fund	1,071,741

The purpose of the loan from the culinary water fund to the Redevelopment Agency was for the purchase of land. The purpose of the other loans was to pay operating expenses.

NOTE 7 ACCRUED COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation time which will be paid to employees upon termination. Accumulated sick leave is not paid to City employees upon termination. At June 30, 2006, a current liability of \$17,872 and \$10,461 has been accrued in the general governmental activities and the business-type activities, respectively for accrued vacation time. The non-current portion of compensated absences in the amount of \$71,493 has been accrued in the General governmental activities. The non-current portion of compensated absences in the amount of \$41,845 has been accrued in the business-type activities.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 8 LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the City for the fiscal year ended June 30, 2006:

	<u>June 30,</u> <u>2005</u>	<u>Addition</u>	<u>Deletions</u>	<u>June 30,</u> <u>2006</u>
General governmental activities:				
Compensated absences	\$ 64,762	\$ 24,603	\$ -	\$ 89,365
Capital lease obligations	29,181	-	(15,749)	13,432
Revenue bonds payable	<u>9,320,000</u>	<u>-</u>	<u>(370,000)</u>	<u>8,950,000</u>
Total governmental activities long-term debt	<u>\$ 9,413,943</u>	<u>\$ 24,603</u>	<u>\$ (385,749)</u>	<u>\$ 9,052,797</u>
Business-type activities:				
Capital lease obligation	\$ 42,775	\$ -	\$ (20,994)	\$ 21,781
Compensated absences	50,987	1,319	-	52,306
Revenue bonds	<u>21,260,000</u>	<u>-</u>	<u>(943,000)</u>	<u>20,317,000</u>
Total business-type activities long-term debt	<u>\$ 21,353,762</u>	<u>\$ 1,319</u>	<u>\$ (963,994)</u>	<u>\$ 20,391,087</u>

Capital Lease Obligations

The City entered into a lease agreement during the fiscal year ending June 30, 2003, with an interest rate of 3.75%. Proceeds of this lease agreement amounted to \$129,650 and were part of the financing of General Fund assets (equipment) in the amount of \$47,136 and Sanitation Fund assets (equipment) in the amount of \$82,514.

The City entered into a lease agreement during the fiscal year ending June 30, 2003, with an interest rate of 8.354%. Proceeds of this lease were \$13,600 and were used to finance a copy machine.

The future minimum lease obligations and the present value of these minimum lease payments as of June 30, 2006 are as follows:

2007	<u>\$ 36,514</u>
Total minimum lease payments	36,514
Less: amount representing interest	<u>1,301</u>
Present value of minimum lease payments	<u>\$ 35,213</u>

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 8 LONG-TERM OBLIGATIONS (Continued)

Defeased Bonds

The City defeased \$5,160,000 (a portion) of the Series 2000B Water Revenue and Refunding Bonds. This portion of the 2000B Series Revenue Bonds was defeased by placing a portion of the proceeds from the Series 2004 Water Revenue Refunding Bonds in an irrevocable trust to provide for all future debt service payments on this portion of the defeased bonds. The principal amount outstanding as of March 29, 2004, of the 2000B Series Water Revenue and Refunding bonds was \$12,795,000. The difference between the cash flow required to service the old debt (defeased) and the new debt (Series 2004 Water Revenue Refunding Bonds) will save \$259,937 which was an economic gain of \$195,220.

The City defeased \$3,685,000 (a portion) of the Series 2000B Water Revenue and Refunding Bonds. This portion of the 2000B Series Revenue Bonds was defeased by placing a portion of the proceeds from the Series 2005 Refunding Bonds in an irrevocable trust to provide for all future debt service payments on this portion of the defeased bonds. The principal amount outstanding as of April 28, 2005, of the 2000B Series Water Revenue and Refunding Bonds was \$7,165,000. The difference between the cash flow required to service the old debt (defeased) and the new debt (Series 2005 Refunding Bonds) will save \$200,517 which was an economic gain of \$144,013.

After the above two defeased portions, the remaining principal amount of the Series 2000B Water Revenue and Refunding Bonds outstanding as of June 30, 2006, was \$2,995,000.

Bonds Payable

In March 2000, the City issued zero interest Taxable Water Revenue Bond Series 2000A for \$1,500,000. Principal installments began March 1, 2001, and are payable on March 1 of each year thereafter, maturing with the March 2020 payment.

In September 2000, the City issued Tax Exempt Water Revenue Bond Series 2000B for \$14,000,000. Payments began March 1, 2001, principal due annually on September 1 and interest being due semi-annually at 4.30% to 5.60%, maturing with the September 1, 2020, payment.

In December 2001, the City issued Franchise and Sales Tax Bond Series 2001 for \$5,720,000. Payments began June 1, 2001, principal due annually on December 1 and interest being due semiannually at 4% to 5%, maturing with the December 1, 2021, payment.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 8 LONG-TERM OBLIGATIONS (Continued)

Bonds Payable (continued)

In January 2003, the City issued Water Revenue Bonds Series 2003 for \$7,500,000. Payments began September 1, 2003, principal due annually on September 1 and interest being due semiannually at 2.5% to 4.6%, maturing with the September 1, 2022, payment.

In March 2004, the city issued Water Revenue Refunding Bonds Series 2004 for \$5,900,000. Payments began September 1, 2004, principal due annually on September 1 and interest being due semiannually at 2.25% to 3.8% maturing with the September 1, 2018, payment.

In March 2004, the City issued Franchise and Sales Tax Bonds Series 2004A for \$4,080,000. Payments began December 1, 2004, principal due annually on December 1 and interest being due semiannually at 2.0% to 4.4%, maturing with the December 1, 2024, payment.

In April 2005, the City issued Water Revenue Refunding Bonds Series 2005 for \$3,800,000. Payments began September 1, 2005, principal due annually on September 1 and interest being due semiannually at 3.0% to 5.0%, maturing with the September 1, 2020, payment.

The annual requirement to amortize all Water Revenue Bonds Series 2000A outstanding as of June 30, 2006, is as follows:

<u>Year Ending June 30,</u>	<u>Taxable Water Revenue Bond Series 2000A</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 78,000	-
2008	78,000	-
2009	78,000	-
2010	78,000	-
2011	78,000	-
Total	<u>390,000</u>	-
2012 - 2016	390,000	-
2017 - 2020	<u>312,000</u>	-
	<u>\$ 1,092,000</u>	<u>\$ -</u>

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 8 LONG-TERM OBLIGATIONS (Continued)

Bonds Payable (continued)

The annual requirement to amortize all the Water Revenue Bonds Series 2000B outstanding as of June 30, 2006, is as follows:

<u>Year Ending June 30,</u>	<u>Tax Exempt Water Revenue Bond Series 2000B</u>	
	<u>Principal</u>	<u>Interest</u>
2007	545,000	602,815
2008	570,000	577,028
2009	600,000	549,675
2010	625,000	520,731
2011	655,000	490,004
Total	<u>\$ 2,995,000</u>	<u>\$ 2,740,253</u>

The annual requirement to amortize all the Franchise and Sales Tax Bonds Series 2001 outstanding as of June 30, 2006, is as follows:

<u>Year Ending June 30,</u>	<u>Bond Series 2001</u>	
	<u>Principal</u>	<u>Interest</u>
2007	225,000	218,575
2008	235,000	209,015
2009	240,000	198,905
2010	250,000	188,130
2011	260,000	176,733
Total	1,210,000	991,358
2012 - 2016	1,485,000	681,351
2017 - 2021	1,885,000	256,799
2022 - 2023	440,000	-
	<u>\$ 5,720,000</u>	<u>\$ 1,929,508</u>

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 8 LONG-TERM OBLIGATIONS (Continued)

Bonds Payable (continued)

The annual requirement to amortize all the Water Revenue Bonds Series 2003 outstanding as of June 30, 2006, is as follows:

<u>Year Ending June 30,</u>	<u>Bond Series 2003</u>	
	<u>Principal</u>	<u>Interest</u>
2007	290,000	258,962
2008	300,000	251,587
2009	310,000	243,188
2010	320,000	233,337
2011	<u>330,000</u>	<u>222,363</u>
Total	1,550,000	1,209,438
2012 - 2016	1,840,000	911,676
2017 - 2021	2,265,000	494,605
2022 - 2023	<u>1,050,000</u>	<u>48,735</u>
	<u>\$ 6,705,000</u>	<u>\$ 2,664,454</u>

The annual requirement to amortize all the Water Revenue Refunding Bonds Series 2004 outstanding as of June 30, 2006, is as follows:

<u>Year Ending June 30,</u>	<u>Water Revenue Refunding Bonds Series 2004</u>	
	<u>Principal</u>	<u>Interest</u>
2007	55,000	203,224
2008	55,000	201,986
2009	60,000	200,655
2010	60,000	199,118
2011	<u>60,000</u>	<u>197,393</u>
Total	290,000	1,002,374
2012 - 2016	2,610,000	842,106
2017 - 2019	<u>2,875,000</u>	<u>164,563</u>
	<u>\$ 5,775,000</u>	<u>\$ 2,009,043</u>

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 8 LONG-TERM OBLIGATIONS (Continued)

Bonds Payable (continued)

The annual requirement to amortize all the Franchise and Sales Tax Bonds Series 2004A outstanding as of June 30, 2006, is as follows:

<u>Year Ending June 30,</u>	<u>Bond Series 2004A</u>	
	<u>Principal</u>	<u>Interest</u>
2007	150,000	146,106
2008	155,000	142,669
2009	160,000	138,731
2010	160,000	134,531
2011	<u>165,000</u>	<u>129,031</u>
Total	790,000	691,068
2012 - 2016	935,000	543,925
2017 - 2021	1,125,000	352,046
2022 - 2025	<u>1,080,000</u>	<u>98,763</u>
	<u>\$ 3,930,000</u>	<u>\$ 1,685,802</u>

The annual requirement to amortize all the Water Revenue Refunding Bonds Series 2005 outstanding as of June 30, 2006, is as follows:

<u>Year Ending June 30,</u>	<u>Water Revenue Refunding Bonds Series 2005</u>	
	<u>Principal</u>	<u>Interest</u>
2007	10,000	170,900
2008	10,000	170,600
2009	15,000	170,206
2010	15,000	169,719
2011	<u>15,000</u>	<u>169,213</u>
Total	65,000	850,637
2012 - 2016	1,530,000	606,550
2017 - 2021	<u>2,155,000</u>	<u>432,375</u>
	<u>\$ 3,750,000</u>	<u>\$ 1,889,562</u>

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 9 RETIREMENT PLANS

Plan Description

The City contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System, all of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems. Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake city, UT 84102 or by calling (800) 365-8772.

Funding Policy

Plan members are required to contribute a percent of their covered salary (all or part of which may be paid by the employer) to the respective systems to which they may belong which is 6.00% to the Contributory System. The City is required to contribute a percent of covered salary to the respective systems, 7.08% to the Contributory and 11.09% to the Noncontributory. The contribution rates are the actuarially determined rates. The contribution requirements of the systems are authorized by statute and specified by the board.

The City's contributions to the Local Governmental Contributory Retirement System for the years ended June 30, 2006, 2005 and 2004 were \$5,504, \$5,086, and \$4,198, respectively. The salaries subject to retirement contributions for the same periods were \$50,500, \$46,656, and \$44,514, respectively. The Noncontributory System contributions for June 30, 2006, 2005, and 2004 were \$279,249, \$251,889, and \$206,335, respectively. The salaries subject to noncontributory contributions were \$2,518,026, \$2,271,311, and \$2,144,867, respectively. The contributions were equal to the required contributions for each year.

Internal Revenue Code Section 401(k) Plan

The City also participates in a defined contribution 401(k) Plan. The plan, available to all City employees, permits them to defer a portion of the salary until future years. Contributions may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. Employer paid contribution for the years ended June 30, 2006, 2005, and 2004 were \$23,680, \$23,731, and \$19,350, respectively.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 9 RETIREMENT PLANS (Continued)

Internal Revenue Code Section 457 Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of the salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Employer paid contribution for the years ended June 30, 2006, 2005, and 2004 were \$35,673, \$23,900, and \$21,218, respectively.

Internal Revenue Code Section 401A Plan

The City participates in ICMA's 401(a) money purchase plan as of July 1, 2005. This plan has replaced an annuity which was managed by Beneficial Life. The money that was in the Beneficial Life annuity was transferred to ICMA's 401(a) plan after July of 2005. For eligible employees, the City contributes 10% of gross earnings into the 401(a) plan. These funds are the property of each employee. Each employee is 100% vested upon the opening of their account. The City has no claims on these funds. Employer paid contributions for fiscal year 2006 was \$251,555.45.

NOTE 10 INTERFUND TRANSFERS

Individual fund operating transfers for fiscal year 2006 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 850,000	\$ 2,650,000
Capital projects funds	4,513,741	575,000
Special Revenue fund	-	3,888,741
Proprietary funds	<u>2,175,555</u>	<u>425,555</u>
Total All Funds	<u>\$ 8,385,650</u>	<u>\$ 8,385,650</u>

Management and the City Council made the transfers for capital projects and cash flows needs of the other funds for the year ended June 30, 2006.

NOTE 11 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government participates in the state risk pool. The government is also covered by worker's compensation insurance for risk of loss involving employees, which premiums are based on work risk factors and experience.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 12 REDEVELOPMENT AGENCY

In accordance with Utah State law, the City makes the following disclosures relative to the Riverton City Redevelopment Agency (RDA): The RDA collected \$851,063 of tax increment monies for its project areas. None of these funds were paid out to any taxing agency. The RDA has no outstanding bonds or other loans incurred to finance costs associated with its project area. During 2006, the RDA expended \$96,463 for site improvements and administrative costs, including \$50,000 which was paid to a developer (see note 14 below). The RDA also transferred \$1,667,000 to other City funds for project related infrastructure improvements which were constructed in previous years by the various funds.

NOTE 13 LAND HELD FOR RESALE

Land acquired by the Redevelopment Agency of Riverton City (a Special Revenue fund) and held for resale is accounted for as land held for resale in the Capital Assets. The cost of land held for resale is capitalized until the land is sold. Land transferred from infrastructure assets of the City is recorded at a nominal amount for accountability purposes. If the Redevelopment Agency sells land at an amount greater than or less than the carrying amount, the resulting gain/loss is accounted for as another financing source/use. Gains and losses on sale of land held for resale are recognized when measurable and available.

NOTE 14 COMMITMENTS

Redevelopment Agency

The Redevelopment Agency, a component unit, has entered into an agreement with a developer to pay \$50,000 per year over ten years for improvements made on property in the RDA. The commitment is to be recovered with tax increment revenue. The remaining commitment at June 30, 2006, is \$50,000.

NOTE 15 CUSTOMER DEPOSITS

Customer deposits are principally deposits from customers that are held by the City for water connections until such time for refund is warranted.

NOTE 16 CONTINGENT LIABILITIES

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

RIVERTON CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
For The Year Ended June 30, 2006

NOTE 17 GRANTS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the City's independent auditors and other governmental auditors. Any disallowed claims resulting from such an audit could become a liability of the General Fund or other applicable funds. Based on prior experience, the City administration believes such disallowance, if any, would be immaterial.

NOTE 18 ADJUSTMENT TO FUND BALANCE

The blended component unit (Riverton Art Museum Board) that was included in the prior year financial statements is no longer considered a component unit of the City due to changes in the control of the component unit. As a result, the fund balance of the blended component unit was removed from the general fund of the City in the amount of \$2,854 during the year ended June 30, 2006.

During the year ended June 30, 2006, the City reclassified land held for resale to the RDA. As a result, the fund balance of the special revenue fund (RDA) was increased by \$2,135,126.

NOTE 19 PROPERTY TAX

During the year ended June 30, 2006, the City Council approved annexation into the Salt Lake Valley Fire Service District (Fire District). Therefore, current and future years fire protection services will be handled by the Fire District. The property tax revenue for fire protection and certain assets were transferred to the District. The City is negotiating the legal transfer or retainage of the two fire stations to the Fire District, but has allowed the Fire District to use them. Due to this change, the 2007 budgeted revenues were reduced due to no longer receiving these property tax revenues which caused the maximum amount allowed in the general fund to decrease. As a result, the City Council approved a transfer of \$2,650,000 from the general fund to the capital project fund for construction of capital assets.

SUPPLEMENTAL INFORMATION

RIVERTON CITY CORPORATION
SCHEDULE OF CAPITAL PROJECTS - CAPITAL PROJECT FUND
For The Year Ended June 30, 2006

	Capital Projects Fund							Total Capital Project Fund	
	Parts	Community Fire	Storm Drain	Community Road Impact	Capital Projects	Civic Center	Underground Utilities	Other Projects	REDIF
Assets:									
Current assets:									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Receivables:									
Franchise taxes	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	175,000	-	-	-	177,373
Total current assets	-	-	-	-	5,445,979	3,127	1,432,319	2,879,480	1,249,114
Restricted assets:									
Cash and cash equivalents	2,514,566	109,874	2,290,517	5,199,345	-	-	-	-	3,264,180
Total restricted assets	2,514,566	109,874	2,290,517	5,199,345	-	-	-	-	3,264,180
Total assets	\$ 2,514,566	\$ 109,874	\$ 2,290,517	\$ 5,199,345	\$ 5,445,979	\$ 3,127	\$ 1,432,319	\$ 2,879,480	\$ 4,513,294
Liabilities:									
Current liabilities:									
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accrued liabilities	-	94,467	15,746	299,448	-	-	-	-	-
Deposits, retainage and ferred revenue	-	-	-	-	-	-	-	-	-
Due to other funds	-	175,000	-	-	-	-	-	-	85,923
Total current liabilities	-	269,467	15,746	299,448	-	-	-	-	85,923
Total liabilities	-	269,467	15,746	299,448	-	-	-	-	85,923
Net assets:									
Designated for improvements	-	-	-	-	5,445,979	3,127	1,432,319	2,879,480	-
Reserved for:									
Impact fees	2,514,566	(159,593)	2,274,771	4,899,897	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	4,427,371
Total net assets	2,514,566	(159,593)	2,274,771	4,899,897	5,445,979	3,127	1,432,319	2,879,480	4,427,371
Total liabilities and net assets	\$ 2,514,566	\$ 109,874	\$ 2,290,517	\$ 5,199,345	\$ 5,445,979	\$ 3,127	\$ 1,432,319	\$ 2,879,480	\$ 4,513,294
									\$ 24,388,501

RIVERTON CITY CORPORATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -
CAPITAL PROJECTS - CAPITAL PROJECT FUND
For The Year Ended June 30, 2006

	Parts	Community Fire	Storm Drain	Community Road Impact	Capital Projects	Civic Center	Underground Utilities	Other Projects	REDIF	Total Capital Project Fund
Revenue:										
Franchise taxes	\$ 2,687,527	\$ 191,392	\$ 704,022	\$ 2,671,908	\$ -	\$ -	\$ -	\$ -	\$ 1,682,858	\$ 1,682,858
Impact fees	52,108	-	78,071	140,304	-	-	-	-	31,066	6,254,849
Interest income	-	-	-	-	-	-	-	-	-	301,549
Total revenue	2,739,635	191,392	782,093	2,812,212	-	-	-	-	1,713,924	8,239,256
Expenditures:										
Interest and debt service costs and bond issuance costs	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	1,902,728	-	-	-	-	-	-	760,131	760,131
Highway and public improvements	-	-	-	-	-	-	-	-	46,152	46,152
Parks, recreation and public property	1,406,461	-	433,359	1,314,984	-	-	34,681	129,850	181,288	1,902,728
Civic Center	-	-	-	-	-	172,779	-	-	-	2,094,162
Total expenditures	1,406,461	1,902,728	433,359	1,314,984	-	172,779	34,681	129,850	987,571	6,382,413
Excess of revenue over (under) expenditures	1,333,174	(1,711,336)	348,734	1,497,228	-	(172,779)	(34,681)	(129,850)	726,353	1,856,843
Other financing sources (uses):										
Grant - Weapons of Mass Destruction	-	-	-	-	-	147,672	-	-	-	147,672
Proceeds from sale of assets	-	-	-	217,000	3,225,000	-	-	3,584,330	-	3,584,330
Transfers in	-	-	-	-	-	-	-	-	1,071,741	4,513,741
Transfers out	-	-	-	-	-	-	-	(575,000)	-	(575,000)
Total other financing sources (uses)	-	-	-	217,000	3,225,000	147,672	-	3,009,330	1,071,741	7,670,743
Excess revenue and other financing sources over (under) expenditures and other uses	1,333,174	(1,711,336)	348,734	1,714,228	3,225,000	(25,107)	(34,681)	2,879,480	1,798,094	9,527,586
Fund balances - beginning	1,181,392	1,551,743	1,926,037	3,185,669	2,220,979	28,234	1,467,000	-	2,629,277	14,190,331
Fund balances - ending	\$ 2,514,566	\$ (159,593)	\$ 2,274,771	\$ 4,899,897	\$ 5,445,979	\$ 3,127	\$ 1,432,319	\$ 2,879,480	\$ 4,427,371	\$ 23,717,917

RIVERTON CITY CORPORATION
IMPACT FEE SCHEDULE
COMMUNITY IMPACT - PARKS
For The Year Ended June 30, 2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenue:									
Impact Fees	\$ 271,866	\$ 292,171	\$ 261,206	\$ 304,868	\$ 409,044	\$ 760,626	\$ 1,136,062	\$ 1,715,382	\$ 2,687,526
Transfer from Gas Fund									
Transfer from CIP	1,981	3,858					9,000	14,213	52,108
Interest Earned							6,302		
Total Revenue	273,847	296,029	261,206	304,868	409,044	760,626	1,151,364	1,729,595	2,739,634
Expenditures:									
Centennial Park	133,060	329,777	294,543	58,216	203,756	182,872	183,690	200,646	178,038
Wester Springs		156,490	31,591	168,814	5,200			6,829	
Riverton Chase Park		75,939	1,545						
Jordan River Parkway		8,001							
Peggy Green Park		112,885	128,901		58,986	21,721	24,050	425	
Other CIP Projects			69,190						
Midas Creek			22,535						
Saddlebrook			15,203						
Playground Equip					17,726				
Tinkling Hill					12,256				
Autumn Hills 3									
Oxford Park Trail									
Meadow									
Main Park Entrance									
Horton Monument									
Timar Holdings									
Monarch Meadows									
Foodhills									
Skateboard Park									
Canyon View									
Handy Park									
Total Expenditures	133,060	683,093	565,508	227,040	297,924	410,763	244,332	1,445,465	1,406,461
Rev over/under Exp	140,787	(387,064)	(302,302)	77,838	111,120	349,863	907,032	244,129	1,333,173
Fund Balance	140,787	(246,277)	(548,579)	(470,741)	(359,621)	(9,758)	\$	897,264	\$ 2,514,566

Future Projects	Year	Projected Costs
Western Springs	June 30, 2007	\$ 113,040
Hamilton Family Park	June 30, 2007	- 330,850
Water Park	June 30, 2007	150,000
Heritage Farms	June 30, 2007	150,000
Monarch Meadows	June 30, 2007	381,510
Canyon View	June 30, 2007	282,600
Castlewood	June 30, 2007	84,760
Total		\$ 1,492,780

RIVERTON CITY CORPORATION
IMPACT FEE SCHEDULE
COMMUNITY IMPACT - FIRE
For The Year Ended June 30, 2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Fiscal Year ended June 30,									
Revenue:									
Impact Fees	\$ 271,883	\$ 301,546	\$ 272,300	\$ 467,512	\$ 420,258	\$ 140,592	\$ 72,542	\$ 125,774	\$ 191,392
Interest Earned	3,880	18,600	36,913	47,885	36,814	33,726	27,685	35,398	-
Total Revenue	275,762	320,226	309,213	515,397	457,072	174,318	100,227	161,171	191,392
Expenditures:									
2700 W Station Expansion	-	7,000	221,062	-	-	-	-	-	-
Other CIP Projects	-	-	-	269	1,762	1,372	1,767	425	2,631
12600 S Station Land Acquisition	-	-	-	-	-	-	-	454,335	-
12600 S Station Construction	-	-	-	-	-	-	-	73,653	1,900,097
Total Expenditures	-	7,000	221,062	269	1,762	1,372	1,767	528,413	1,902,728
Rev over(under) Exp	275,762	313,226	88,152	515,129	455,310	172,946	98,461	(367,242)	(1,711,336)
Fund Balance	\$ 275,762	\$ 588,988	\$ 677,140	\$ 1,192,269	\$ 1,647,579	\$ 1,820,525	\$ 1,918,985	\$ 1,551,743	\$ (159,993)

	Year	Projected
	June 30, 2007	Costs
Future Projects	\$ 175,000	
Repay loan to CIF	\$ -	
Total	\$ 175,000	

RIVERTON CITY CORPORATION
IMPACT FEE SCHEDULE
COMMUNITY IMPACT - STORM DRAIN
For The Year Ended June 30, 2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenue:									
Impact Fees	\$ 72,843	\$ 474,490	\$ 118,698	\$ 142,195	\$ 112,693	\$ 251,081	\$ 817,878	\$ 903,730	\$ 704,022
Transfer from Gen Fund	-	-	-	-	-	-	1,317,700	-	-
Transfer from CIP	-	-	-	-	-	-	9,242	46,268	78,071
Interest Earned	-	-	-	-	-	-	-	-	-
Total Revenue	72,843	474,490	118,698	142,195	112,693	251,081	2,144,820	949,998	782,093
Expenditures:									
Storm Drain Master Plan	-	-	-	-	-	-	-	-	-
Charwell	20,190	-	-	-	16,878	-	-	-	26,374
Riverton Chase	24,813	-	-	-	-	-	-	-	-
Westfield Downs	16,137	-	-	-	-	-	-	-	-
Miles Creek	177,883	-	-	-	-	-	-	-	-
12600 S 1100 W	25,000	-	-	-	-	-	-	-	-
12600 S 2200 W to 2700 W	23,083	-	-	-	-	-	-	-	-
12600 S 2700 W to Canal	180,409	-	-	295,588	-	-	-	-	-
2700 West Project	-	-	29,959	-	-	-	-	-	-
3600 West Project	-	-	190,768	-	-	-	-	-	-
4000 West Project	-	-	-	-	-	-	-	-	-
Swenson Farms	-	-	-	172,783	-	93,185	-	-	-
Kyson Creek	-	-	-	-	-	48,702	-	-	-
Other CIP Projects	114,565	198,284	51,614	69,512	14,807	2,789	9,555	128,400	6,137
12600 S Reconstruction	-	-	-	-	-	-	2,064	13,744	142,565
Country View	-	-	-	-	-	-	12,180	7,082	-
Canyon View	-	-	-	-	-	-	-	-	-
Monarch Meadows	-	-	-	-	-	-	-	51,880	258,282
Total Expenditures	238,208	620,795	272,341	517,883	31,686	144,675	23,299	471,891	431,359
Rev over(under) Exp	(165,365)	(146,304)	(153,643)	(195,688)	81,007	106,406	2,121,521	478,105	348,734
Fund Balance	\$ (165,365)	\$ (311,670)	\$ (465,313)	\$ (661,001)	\$ (779,994)	\$ (673,588)	\$ 1,447,932	\$ 1,926,037	\$ 2,274,771

Future Projects	Year	Projected Costs
3600 W Ponds	June 30, 2007	600,000
Burnsfield Pond	June 30, 2007	600,000
3600 W System	June 30, 2007	94,900
13400 S East of Redwood	June 30, 2007	150,000
12600 S Reconstruction	June 30, 2007	715,100
Taylor Acres	June 30, 2008	140,000
Summerfield	June 30, 2007	135,000
Monarch Meadows	June 30, 2007	32,000
Walnut	June 30, 2007	145,000
Castellwood	June 30, 2007	95,000
Riverton Crossing	June 30, 2007	60,000
Total		2,767,000

RIVERTON CITY CORPORATION
IMPACT FEE SCHEDULE
COMMUNITY IMPACT - ROADS
For The Year Ended June 30, 2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Fiscal Year ended June 30, Revenue:									
Impact Fees	\$ 219,235	\$ 227,524	\$ 205,178	\$ 249,060	\$ 316,662	\$ 689,087	\$ 1,046,939	\$ 1,678,000	\$ 2,671,908
Transfer from EDA									217,000
Transfer from CIP	3,128	14,934	31,688	45,134	27,314	24,837	31,150	55,804	140,304
Interest Earned									
Total Revenue	222,364	242,458	236,866	294,194	343,976	713,924	1,078,089	1,733,803	3,029,212
Expenditures:									
Traffic Signal Lights				74,497	39,118	(49,961)			35,808
Other CIP Projects			3,902	8,093	66,218	1,372	12,265	34,372	17,692
1300 West Widening					5,605	120,577	107,358	23,586	243,251
4150 West Construction					20,678				195,991
12600 S Betterments							8,559		
13400 S 2700 W to Baugher							9,540	159,516	27,473
12600 S Reconstruction							79,071	18,189	173,602
Underground Utilities							217,000	3,170	
2700 West Widening								133,201	446,430
3600 West Widening								18,853	
11400 S 4000 W								74,025	
Monarch Meadows								491,203	
4570 W 12600 S									22,071
Treasure Estates Bridge									12,464
Canyon View									127,911
4000 W Widening									12,292
Total Expenditures			3,902	82,590	131,618	71,988	433,792	956,114	1,316,984
Rev over/under/ Exp	222,364	242,458	232,964	211,605	212,357	641,936	644,297	777,690	1,714,228
Fund Balance	\$ 222,364	\$ 464,921	\$ 697,785	\$ 909,390	\$ 1,121,747	\$ 1,763,683	\$ 2,407,980	\$ 3,185,669	\$ 4,899,897

Future Projects	Year	Projected Costs
13400 South	June 30, 2007	\$ 1,400,000
13400 South	June 30, 2008	1,100,000
12600 S Reconstruction	June 30, 2007	1,330,300
Hamilton Bridge	June 30, 2007	50,000
Wishire Estates	June 30, 2007	70,000
Canyon View	June 30, 2007	226,500
Summerfield	June 30, 2007	113,250
Monarch Meadows	June 30, 2007	340,000
Pheasant Point	June 30, 2007	80,000
Wal-Mart	June 30, 2007	100,000
Midas Creek Crossing	June 30, 2007	108,500.00
Total		\$ 4,918,550

RIVERTON CITY CORPORATION
IMPACT FEE SCHEDULE
COMMUNITY IMPACT - CULINARY WATER
For The Year Ended June 30, 2006

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenue:										
Impact Fees	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Transfer From Gas Fund	-	-	-	-	-	-	-	-	-	-
Transfer From CIP	-	-	-	-	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-	-	-	-	-
Total Revenue	340,067	358,819	358,819	375,690	375,690	437,297	391,093	409,357	404,620	765,568
Expenditures:										
Culinary System Upgrades	1,393,679	306,187	72,079	195,641	45,200	16,608	-	-	425	524,437
Water Facility	-	-	-	-	-	-	-	-	-	93,946
Other CIP Projects	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,393,679	306,187	72,079	195,641	45,200	16,608	-	-	425	618,373
Rev over(under) Exp	(1,393,679)	31,880	286,740	180,049	572,249	420,689	391,093	419,462	510,198	195,150
Fund Balance	\$ (1,393,679)	\$ (1,361,799)	\$ (1,075,059)	\$ (895,010)	\$ (372,761)	\$ 47,928	\$ 439,022	\$ 858,484	\$ 1,368,682	\$ 1,563,831

Future Projects	Year	Projected Cost
Culinary CIP Construction	June 30, 2007	142,000
Culinary CIP Construction	June 30, 2008	2,078,000
Culinary CIP Construction	June 30, 2009	90,500
Culinary CIP Construction	June 30, 2010	12,500
Culinary CIP Construction	June 30, 2011	-
Total		\$ 2,323,000

RIVERTON CITY CORPORATION
IMPACT FEE SCHEDULE
COMMUNITY IMPACT - SECONDARY WATER
For The Year Ended June 30, 2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenue:									
Impact Fees	\$ -	\$ -	\$ 183,970	\$ 467,771	\$ 462,074	\$ 343,470	\$ 479,700	\$ 722,800	\$ 879,205
Transfer from Gen Fund	-	-	-	-	-	-	-	-	-
Transfer from CIP	-	-	5,848	9,500	16,000	23,048	10,676	48,237	98,985
Interest Earnings	-	-	-	-	-	-	-	-	-
Total Revenue	-	-	<u>189,818</u>	<u>477,271</u>	<u>478,074</u>	<u>366,518</u>	<u>490,376</u>	<u>771,537</u>	<u>978,190</u>
Expenditures:									
Debt Service	-	-	-	125,555	125,555	125,555	125,555	125,555	125,555
Secondary System Upgrades	-	-	-	131,166	-	-	-	148,302	5,902
Water Facility	-	-	-	-	-	-	-	-	-
Other CIP Projects	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	<u>256,721</u>	<u>125,555</u>	<u>125,555</u>	<u>125,555</u>	<u>273,857</u>	<u>131,457</u>
Rev over(under) Exp	-	-	<u>189,818</u>	<u>220,550</u>	<u>352,519</u>	<u>240,963</u>	<u>364,821</u>	<u>497,680</u>	<u>846,733</u>
Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,818</u>	<u>\$ 410,368</u>	<u>\$ 762,887</u>	<u>\$ 1,003,850</u>	<u>\$ 1,368,671</u>	<u>\$ 1,866,351</u>	<u>\$ 2,713,084</u>

	Year	Projected Costs
Future Projects		
Debt Service Payment	June 30, 2007	125,555
Debt Service Payment	June 30, 2008	125,555
Debt Service Payment	June 30, 2009	125,555
Debt Service Payment	June 30, 2010	125,555
Debt Service Payment	June 30, 2011	125,555
Reserved for Debt - Long Term Portion	June 30, 2007	839,216
Secondary Water Upgrades	June 30, 2008	7,937,000
Secondary Water Upgrades	June 30, 2009	131,000
Secondary Water Upgrades	June 30, 2010	-
Secondary Water Upgrades	June 30, 2011	-
Total		<u>\$ 9,514,991</u>

RIVERTON CITY CORPORATION

MANAGEMENT REPORT

For The Year Ended June 30, 2006

RIVERTON CITY CORPORATION
MANAGEMENT REPORT
For The Year Ended June 30, 2006

TABLE OF CONTENTS

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Independent Auditors' Report on State Legal Compliance	3-4
Summary Schedule of Findings and Questioned Costs	5
Summary Schedule of Prior Years Findings	6



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and
Members of the City Council
Riverton City Corporation
Riverton, Utah

We have audited the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverton City Corporation, Utah, as of and for the year ended June 30, 2006, which collectively comprise Riverton City Corporation, Utah, basic financial statements and have issued our report thereon dated December 13, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Riverton City Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Riverton City Corporation's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item #1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item #1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverton City Corporation's, Utah, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain additional matters that we reported to management of Riverton City Corporation in the accompanying schedule of findings and questioned costs as item #2.

This report is intended solely for the information and use of the Mayor, City Council and management of Riverton City Corporation, the Utah State Auditor's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wiggins & Co. P. C.

Sandy, Utah
December 13, 2006

INDEPENDENT AUDITORS' REPORT ON
LEGAL COMPLIANCE WITH APPLICABLE
UTAH STATE LAWS AND REGULATIONS

Honorable Mayor and
Members of City Council
Riverton City Corporation
Riverton, Utah

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverton City Corporation, for the year ended June 30, 2006, and have issued our report thereon dated December 13, 2006. As part of our audit, we have audited Riverton City Corporation's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2006. The City received the following major State assistance program from the State of Utah.

B&C Road Funds (Department of Transportation)

Our audit also included testwork on the City's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

- Public Debt
- Cash Management
- Purchasing Requirements
- Budgetary Compliance
- Truth in Taxation and Property Tax Limitations
- Liquor Law Enforcement
- Justice Courts Compliance
- B & C Road Funds
- Other General Compliance Issues
- Uniform Building Code Standards
- Impact Fees

The management of Riverton City Corporation is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Riverton City Corporation complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2006.

This report is intended solely for the information of management and the Utah State Auditors, and is not intended to be and should not be used by anyone other than the specified parties.

Wiggins & Co. P.C.

Sandy, Utah

December 13, 2006

RIVERTON CITY CORPORATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2006

FINDINGS – FINANCIAL STATEMENT FINDINGS

#1 WATER SHARES

Finding

The system used by the City to track new water share purchases and contributions from developers is inadequate. Currently, one of the staff members receives the water shares, and then gives them to the City Recorder who then logs them into a spreadsheet and puts them in the safe. However, there is never a reconciliation made by the City to determine if the shares received or purchased were delivered to the City Recorder to be stored in the safe. Further, the only log of the actual shares owned by the City is kept by the City Recorder, who also has custody of the physical shares.

Recommendation

We recommend that the City adopt procedures in which shares contributed to the City are reconciled to the shares owned by the City. Also, there should be a perpetual inventory kept of the shares, which is maintained by someone who is independent of the department who has physical custody of the shares. Further, the City should contact the respective canal companies in order to determine the shares registered in the name of the City. Finally, we recommend that the physical shares be kept in a secure location, thus providing further control of the shares.

Response

Riverton City agrees with this finding and will put such a policy in place.

#2 RECONCILIATION OF PROPERTY AND EQUIPMENT

Finding

The expenditures which qualify for capitalization are not reconciled and adjusted until year end. As a result, City staff has not determined which assets should or should not be capitalized on a timely basis.

Recommendation

We recommend that the City adopt procedures that will allow the staff to accurately and timely record capital improvements.

Response

Riverton City agrees with this finding and will put procedures in place.

RIVERTON CITY CORPORATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For The Year Ended June 30, 2006

FINANCIAL STATEMENT AUDIT – FINDINGS FOR YEAR ENDED 2005

#1 BUDGET COMPLIANCE

Finding

The City shall not incur expenses in excess of the budget in any department of the general fund.
The City's actual expenses in the following departments exceeded budget:

	<u>Budget</u>	<u>Actual</u>	<u>Amount Exceeded</u>
Public safety	\$ 3,401,623	\$ 3,515,833	\$ (114,210)

Recommendation

The City should control expenses to comply with the budgets.

Response

Riverton City will comply.

Current Status

They have complied.

RIVERTON CITY



Continuing Disclosures for:

Water Revenue Bond Series:

2000A
2000B
2003
2004ref
2005ref

Franchise and Sales Tax Revenue Bond Series:

2001
2004A

THE SYSTEM

GENERAL DESCRIPTION OF CULINARY WATER AND SECONDARY WATER FACILITIES

The City currently owns and operates culinary water facilities to provide culinary water services to the residents of the City (the "Culinary Water Facilities") and secondary water facilities to provide secondary water services to the residents of the City (the "Secondary Water Facilities"). The Secondary Water Facilities and the Culinary Water Facilities together comprise the System.

The Culinary Water Facilities comprise of approximately 133 miles of water transmission and distribution lines. The Culinary Water Facilities have an estimated remaining useful life of at least 35 years. The Culinary Water Facilities service all of the 12.5 square mile area within the boundaries of the City, except for homes on the western boundary of the City currently serviced directly by the Jordan Valley Water conservancy District (the "Conservancy District"), an outside water supplier.

The acquisition and construction of the Secondary Water Facilities were substantially completed in 2004, and include (i) two deep wells, three shallow wells and approximately 675,000 feet of pipeline, (ii) the acquisition of non-potable water sources, (iii) the acquisition of land necessary to complete the Secondary Water Facilities and (iv) the acquisition, creation and design of wetlands areas. The Secondary Water Facilities presently service all residents of the City.

Residents, who can prove that they have alternative means to irrigate their land, other than by means of the City's Culinary Water Facilities, are not required to connect to the Secondary Water Facilities. However, said residents will still be billed a monthly minimum base rate since the Secondary Water Facilities benefit all users of the System. See "System Rates – Secondary Water" herein. The City presently estimates that few than 425 users elect not to connect to the Secondary Water Facilities.

The Secondary Water Facilities have been designed to provide pressurized water for outdoor water needs, including residential sprinkling systems in the City. The Secondary Water Facilities use lower-grade, non-potable water sources to meet outdoor water needs, thereby decreasing demand upon the City's Culinary Water Facilities. As a result, the City anticipates an increase to the Culinary Water Facilities' useful life and additional capacity to meet the growing culinary water needs of the City.

Sources and Supplies of Water

Culinary Water Facilities. Roughly 85% of the City's culinary water is generated from six City-owned, deep wells. The remaining 15% is supplied by the Conservancy District pursuant to a Water Purchase Agreement (the "Water Purchase Agreement") between the City and the Conservancy District.

The City wells are typically drilled to a depth of approximately 500 feet with water being generated from water bearing strata between 200 to 500 feet deep. Well pumps are lined-shaft

driven well turbine type pumps. The City owns a portable emergency diesel backup power generation system. Water generated from these wells meets or exceeds all local, state, and federal quality standards. The City believes all water rights are adequate for all wells now and in the foreseeable future.

Water supplied to the City from the Conservancy District is delivered at five connection points generally located throughout the central part of the City. These connections range in size from 10" to 16." The water is metered and the pressure regulated at these points.

The City has three City-owned ground storage reservoirs with a storage capacity of approximately 6.5 million gallons. The reservoirs are reinforced concrete and the level of water in the reservoirs determines the water pressure of the system. There is one major booster pump station used to pump water into all zones of the Culinary Water Facilities. The City storage facilities are backed up by eight million gallons of the conservancy District water storage reservoirs.

The City is currently operating a radio based system control and data acquisition system to control and gather operations data for its Culinary Water Facilities.

The City tests the quality of water routinely to insure the health and safety of the public. The City currently has an "approved" system status by the Utah State Division of Drinking Water.

As stated above, approximately 15% of the City's water supply is obtained by contract from the conservancy District. While the City is contractually obligated to purchase a portion of its culinary water from the Conservancy District, this amount is negotiated annually subject to the terms of a Water Purchase Agreement, and is based upon the growth of the City and demands for culinary water. Pursuant to the Water Purchase Agreement, the Conservancy District has agreed to sell and deliver and the City has agreed to buy annually, not less than the following annual amounts of water:

<u>Calendar Year</u>	<u>Minimum Amount (Acre Feet)</u>
2006	620 ⁽¹⁾
2005	620 ⁽¹⁾
2004	620 ⁽¹⁾
2003	620 ⁽¹⁾
2002	620 ⁽¹⁾
2001	545
2000	470
1999	435
1998	435
1997	190

(1) The amount of culinary water purchased by the City is not anticipated to increase after 2002 because completion of the Secondary Water Facilities is expected to result in a decreased demand for additional culinary water from the Conservancy District

The City has the right to purchase more water than the estimated volume amounts set forth above, and has done so on a regular basis since 1993, see "Water Usage" herein. However, the City cannot increase its annual demand above the allocated amount by more than twenty percent (20%) of the City's allocation annually, without first receiving the Conservancy District's express consent. The City must pay between \$334 to \$384 per acre-foot for all water delivered from the Conservancy District. Such per acre-foot rates are subject to annual review and readjustment. In addition, amounts of water purchased by the City over the amount set by the Water Purchase Agreement are subject to a premium assessed by the Conservancy District. All amounts are billed monthly and are due within 30 days. The Water Purchase Agreement is perpetual in nature although the parties thereto have the right to mutually modify the Water Purchase Agreement at any time.

The Conservancy District is primarily a wholesale provider of water to nine cities (including the City); four water companies and five improvement districts that serve over 900,000 persons. The Conservancy District also supplies water on a retail basis to approximately 35,000 persons, through approximately 8,535 service connections.

The Conservancy District's water supply is derived from a variety of sources. The Conservancy District has contracts with several irrigation companies holding water rights in southeast Salt Lake City, purchases water from the Metropolitan Water District of Salt Lake City, purchases water from the Central Utah Water Conservancy District, and operates its own wells and springs. The quality of water delivered by the Conservancy District as well as the water produced by the City is monitored by the State Department of Environmental Quality through periodic sampling and meets all state and federal water quality standards.

Secondary Water Facilities: The Secondary Water Facilities capture ground water return flows from the shallow groundwater aquifer. The City has purchased water rights from the Jordan River and uses these water rights to pump groundwater using shallow wells. Also, the city uses water shares from four canals: South Jordan, Utah Lake-Utah, Utah Lake-Salt Lake, Welby Jacobs which run through Riverton. The pipes, reservoirs, pump stations, valves, controls and other improvements making up the Secondary Water Facilities are constructed upon land owned by the City or in public rights-of-way. The facilities included in the Secondary Water Facilities are anticipated to provide adequate water resources of additional growth for at least the next ten years.

(The remainder of this page intentionally left blank)

Water Usage

The following table sets forth the total culinary water usage of the City and the cost of purchased water for the years shown:

<u>Calendar Year</u>	<u>Water purchased from the Conservancy District in Acre-Feet</u>	<u>Total cost of water purchased from Conservancy District</u>	<u>Water from City wells in Acre-Feet</u>	<u>Total water usage in Acre- Feet</u>
2006 ⁽¹⁾	620	\$ 237,882	3,531	4,151
2005 ⁽²⁾	620	206,643	3,216	3,836
2004	620	204,405	3,349	3,969
2003	622	212,614	3,324	3,946
2002	621	195,453	3,517	4,138
2001	699	226,709	4,323	5,022
2000	1278	429,758	5,597	6,875
1999	943	223,555	5,560	6,103
1998	783	169,251	4,374	5,157
1997	770	210,710	4,452	5,222
1996	801	230,710	4,069	4,870
1995	493	120,171	3,363	3,856
1994	391	69,683	3,772	4,163
1993	210	37,866	2,731	2,941

(1) Amounts for the calendar year 2006 are annualized numbers based on actuals through November 2006.

(2) Amount for the calendar year 2005 has been updated to the actual through December 2005.

The amount and nature of water usage in the City is typical for a community in Salt Lake County, Utah. The City's average usage (including both secondary water and culinary water usage) is 284 gallons per capita per day ("gal/cap/day") compared to 295 gal/cap/day for Salt Lake County and 308/gal/day for the State. The monthly distribution of water usage follows a bell curve distribution with the peak summer monthly usage being approximately twice the average monthly usage. The majority of the water consumption (including both secondary water and culinary water usage) is by outdoor usage, accounting for 60 percent of the water used.

Although incomplete data is available to the City on secondary water usage, the Secondary Water Facilities are anticipated to eliminate the majority of outdoor culinary water usage. Since outdoor usage has historically accounted for approximately 60 percent of the City's water demand, it is anticipated that future culinary water usage will be reduced by the Secondary Water Facilities as a result of the ability of the City to provide secondary water for outdoor water usage. The City estimates that culinary water usage (adjusted for new growth has declined by 57% since the Secondary Water Facilities have become available.

Major Water Users

The major users of the System for the fiscal year 2006 (based upon revenues for usage of Culinary Water Facilities are set forth on the following table:

<u>Major Users</u>	<u>Dollar Amt of Culinary Water Used</u>	<u>% of Total Culinary Water Sales</u>
JORDAN SCHOOL DISTRICT	257,060.05	10.37%
SL COUNTY PARKS/VAULT	129,512.58	5.22%
HOLIDAY OIL	19,104.32	0.77%
INTEL LANDSCAPE LOW FLOW	19,013.94	0.77%
ALBERTSON, INC., SITE # 00303	16,430.32	0.66%
HOME DEPOT STORE #8566/LOW	14,363.64	0.58%
ASPEN SPRINGS/LOW	13,675.86	0.55%
TRITON INVSTMENT/LOW	12,582.44	0.51%
TACO TIME/RIVERTON	10,996.32	0.44%
FARMS@TITHING HILL/LOW FLOW	10,286.22	0.41%
VILLAGE@CANYON VIEW/MAIN HIGH	10,262.94	0.41%
ON POINT LLC/STAMPING UP/LOW	10,133.64	0.41%
CC GROWTH LC/SUDS CAR WASH	8,047.56	0.32%
SOUTH JORDAN UT FM GROUP	8,000.29	0.32%
RIVERTON SHOPPING LNDSCAPE	7,340.88	0.30%
HOLIDAY OIL #32	7,158.36	0.29%
VISTAS @ RIVERBEND/LOW	7,142.58	0.29%
COVENTRY COVE/LOW	7,126.21	0.29%
TOTAL	568,238.15	22.91%

(Source: The City)

(The remainder of this page intentionally left blank)

Water Connections

Presently, the System has more than 8,100 culinary water connections and 8,000 secondary water connections. Approximately 87% of all connections are residential connections and the remainder are commercial, schools, churches, and city and county government facilities. Culinary water connections and secondary water connections are expected to continue to closely approximate each other. The following table shows the number of culinary water connections for the years 1993 through 2006 and actual total water connections (considering 1 culinary and 1 secondary water connect as 1 total water connection per user) for the years 2001 through 2006.

WATER CONNECTIONS FOR THE CITY

<u>Calendar Years</u>	<u>Total Connections</u>	<u>Percent Change</u>
2006 ⁽¹⁾	8145	6.75%
2005 ⁽²⁾	7630	6.39%
2004	7172	5.19%
2003	6818	2.31%
2002	6664	0.05%
2001	6661	6.58%
2000	6250	4.99%
1999	5953	3.62%
1998	5745	11.55%
1997	5150	7.47%
1996	4792	12.09%
1995	4275	7.14%
1994	3990	11.51%
1993	3578	16.62%

(Source: The City)

(1) Amounts for the calendar year 2006 are annualized numbers based on actuals through November 2006.

(2) Amount for the calendar year 2005 has been updated to the actual through December 2005.

System Rates

The City has full and independent power, as granted by State law, to establish revenue levels and rate design for water service provided by the City. The City is not subject to rate regulation by any state or federal regulatory body, and is empowered to set rates effective at any time.

Culinary Water. The City bases its culinary water rates on the amount of water used by the customer. The following rates apply to all culinary water users of the City, both residential and non-residential, except for the County golf course and approximately 500 homes on the western border of the City that are served directly by the Conservancy District. The County golf

course pays the rate charged by the Conservancy District to the City plus 10%, which for the Fiscal Year 2006 is \$366.44 per acre-foot, and the homes on the City's western boundary serviced directly by the Conservancy District pay the rate determined by, and remit payment directly to, the Conservancy District.

The average culinary water bill for City residents in calendar year 2006 was \$19.78 per month. The City's culinary water rates include an \$18.24 base rate per month, with additional fees for water actually used and are described as follows:

<u>Base Rate (0 - 9,999 Gallons)</u>	<u>Monthly Water Use in Gallons</u>	<u>Monthly Rate per 1,000 Gallons</u>
\$18.23 per month	10,000 - 30,000	\$1.25
	30,001 - 60,000	1.50
	60,001 - 100,000	2.00
	100,001 and over	4.00

The City serves approximately 122 commercial culinary connections, one 18-hole golf course, twenty-seven 3-4 acre church sites, 311 acres of open space/parks and approximately 143 acres for schools.

The City also charges impact and hookup fees for connecting to the Culinary water Facilities. These impact fees can only be used to pay for capital improvements to the Culinary Water Facilities. The impact fee cannot be higher than the fee justified by an impact fee analysis. Presently, the City charges a total impact fee of \$1,531.54 for ¾" culinary water connection and a total impact fee of \$2,722.74 for a 1" culinary water connection.

Secondary Water. The service charges for the use of the Secondary Water Facilities are based on a fixed rate, two-tiered system. Residents who can prove that they have an alternative means to irrigate their land, other than by means of the City's Culinary Water Facilities, are not required to connect to the Secondary Water Facilities, but nevertheless, will be billed a base rate of \$4.50 per month since the Secondary Water Facilities benefit all users of the System. All residents using Secondary Water Facilities are billed a fixed rate based on lot size. The present secondary water fixed rates are:

<u>Lot Size</u>	<u>Fixed Monthly Rate</u>
1/4 acre and smaller	\$ 21.23
over 1/4 acre to 1/3 acre	24.35
over 1/3 acre to 1/2 acre	29.36
over 1/2 acre to 3/4 acre	34.96
over 3/4 acre to 1 acre	39.97
Non-user rate	4.50

On November 26, 2002 the City adopted a rate ordinance imposing an annual rate increase (3% each July 1) effective April 1, 2003 for secondary water as follows:

<u>Year</u>	<u>up to 1/4 acre</u>	<u>1/4 to 1/3 acre</u>	<u>1/3 to 1/2 acre</u>	<u>1/2 to 3/4 acre</u>	<u>3/4 to 1 acre</u>
2005-2006	20.61	23.64	28.50	33.94	38.81
2006-2007	21.23	24.35	29.35	34.96	39.97
2007-2008	21.87	25.08	30.23	36.01	41.17
2008-2009	22.52	25.83	31.14	37.09	42.41
2009-2010	23.20	26.61	32.07	38.20	43.68
2010-2011	23.90	27.41	33.03	39.35	44.99
2011-2012	24.61	28.23	34.03	40.53	46.34
2012-2013	25.35	29.07	35.05	41.74	47.73
2013-2014	26.11	29.95	36.10	42.99	49.16
2014-2016	26.90	30.84	37.18	44.28	50.64

The City presently charges a \$1,300 impact fee for all connections to the Secondary Water Facilities.

Connection, Billing, and Collection Process

The City's regulations include a mandatory connection policy governing the System. The mandatory connection policy requires the owner of any property used for human occupancy, employment, recreation or other purposes, which are situated within the City (except for residents on the western boundary of the City presently served directly by the Conservancy District) to connect to the System. Residential developers are required to construct the appropriate water facilities to connect their development to the System. The City has also adopted a disconnection policy for nonpayment of bills for water services.

Pursuant to the City's mandatory connection policy, connection to the System is required within thirty days after the property receives a notice to connect. In the event connection is not made within thirty days, the connection fee is due and payable as if the connection had been made.

Virtually all of the City's culinary water customers are metered; meters are read monthly by the City during warm weather months. During the winter, water use is estimated and an appropriate adjustment is made in the bill when meters are read in the spring. Bills for service charges for use of the System are rendered monthly and are due when rendered. Bills are delinquent when unpaid after approximately thirty days, at which time a \$5.00 late charge is assessed. If payment is not made after sixty days, service may be discontinued and a fee of \$15.00 is charged for reconnection the first time, \$25.00 for reconnection the second time, and \$50.00 for reconnection each time thereafter.

HISTORICAL NET INCOME AND PROFORMA DEBT SERVICE COVERAGE

The following table sets for certain historical financial information with regard to the System, however, the fiscal year 2000 reflects only the City's Culinary Water Facilities:

HISTORICAL NET INCOME					
<u>Fiscal Year (Ending June 30)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Operating Revenues					
Water Sales (1)	4,785,218	4,555,721	4,152,028	3,375,136	3,114,256
Impact Fees (2)	1,644,773	1,207,420	889,257	734,464	946,368
Connection Fees	204,112	136,966	87,460	69,724	14,573
Other Revenues	43,293	24,400	19,337	29,394	25,444
Total Sources of Funds	6,677,396	5,924,506	5,148,082	4,208,718	4,100,641
Operating Expenses					
Salaries and Wages	854,099	698,561	659,563	400,242	541,287
Employee Benefits	353,407	325,330	279,148	251,794	235,273
Utilities	396,921	262,561	307,214	240,671	208,123
Water Purchases	264,790	225,545	224,118	236,911	280,855
Supplies and Maintenance	415,580	370,501	438,304	206,653	206,559
Administrative	87,489	226,318	77,513	72,574	15,394
Total Expenses	2,372,286	2,108,816	1,985,860	1,408,845	1,487,491
Net Operating Income	4,305,110	3,815,690	3,162,222	2,799,873	2,613,150
Non-Operating Income					
Interest Income	390,627	233,653	152,421	147,460	194,757
Gain on Sale of Assets		3,200		134,118	5,500
Grant	42,174	17,851			
Transfers	1,600,000	(250,000)	(750,000)	(1,000,000)	
Total Non-Operating Revenues	2,032,801	4,704	(597,579)	(718,422)	200,257
Net Revenues Available for D/S	6,337,912	3,820,394	2,564,643	2,081,451	2,813,407
Outstanding Bonds					
Series 2000A Bonds	68,000	68,000	68,000	68,000	68,000
Series 2000B Bonds	637,264	840,255	1,118,580	1,087,393	1,058,825
Series 2003 Bonds	551,150	548,150	560,617		
Series 2004 Bonds	259,461	259,794			
Series 2005 Bonds	194,480				
Total Debt Service	1,710,355	1,716,199	1,747,197	1,155,393	1,126,825
Balance Remaining after D/S	4,627,557	2,104,195	817,446	926,058	1,686,582
Debt Service Coverage	3.71	2.23	1.47	1.80	2.50

The following chart summarizes the projected operations of the System, including both the Culinary Water Facilities and the Secondary Water Facilities and the projected debt service coverage for the bonds.

PROFORMA SCHEDULE OF REVENUE AND DEBT SERVICE COVERAGE

<u>FY (Ending June 30)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Operating Revenues					
Water Sales (1)	5,069,862	5,320,644	5,403,047	5,511,108	5,621,330.10
Impact Fees (2)	592,355	596,510	596,510	608,440	620,609.00
Connection Fees	92,813	94,670	96,563	98,494	100,464.15
Other Revenues	20,521	20,931	21,350	21,777	22,212.54
Total Sources of Funds	5,775,551	6,032,755	6,117,470	6,239,819	6,364,616
Operating Expenses					
Salaries and Wages	763,527	801,703	841,788	858,624	875,796
Employee Benefits	358,858	376,800	395,640	403,553	411,624
Utilities	355,639	373,421	392,092	399,934	407,933
Water Purchases	239,602	251,582	264,161	269,444	274,833
Supplies & Maintenance	507,392	532,761	559,399	570,587	581,999
Administrative	89,731	94,218	98,928	100,907	102,925
Total Expenses	2,314,749	2,430,485	2,552,008	2,603,049	2,655,109
Net Operating Income	3,460,802	3,602,270	3,565,462	3,636,771	3,709,506
Non-Operating Income					
Interest Income	140,611	143,423	146,292	149,218	152,202
Total Non-Operating Revenues	140,611	143,423	146,292	149,218	152,202
Net Revenues Available for D/S	3,601,413	3,745,693	3,711,753	3,785,988	3,861,708
Outstanding Bonds					
Series 2000A Bonds	78,000	78,000	78,000	78,000	78,000
Series 2000B Bonds	673,695	672,908	675,555	671,611	670,884
Series 2003 Bonds	548,963	551,588	551,588	553,338	552,363
Series 2004 Bonds	258,224	256,986	260,655	259,118	257,393
Series 2005 Bonds	180,900	180,600	185,206	184,719	184,213
Total Debt Service	1,739,782	1,740,082	1,751,004	1,746,786	1,742,851
Balance Remaining after D/S	1,861,631	2,005,611	1,960,749	2,039,202	2,118,857
Debt Service Coverage	2.07	2.15	2.12	2.17	2.22

- (1) Incorporates the annual rate increase ordinance adopted by the City on November 26, 2002 as more fully described in the section herein entitled "THE SYSTEM - System Rates - Secondary Water."
- (2) Under Utah State law, the impact fee cannot be used to pay operation and maintenance costs but can only be used to pay for costs relating to capital improvements. Culinary impact fees must be used for the Culinary Water Facilities and secondary water impact fees must be used for the Secondary Water Facilities.

Outstanding Debt and Future Debt Plans (p. 17 of Official Statement)

See note 8 - page 38 (2001) & page 40 (2004A) of Riverton City's audited Financials for FY 2006

Summary Stmt of Revenues, Expenditures, & Changes in Fund Bal (p. 18 of O.S.)

See page 12 of Riverton City's audited Financials for FY 2006

Balance Sheet – Governmental Types (p. 19 of O.S.)

See page 10 of Riverton City's audited Financials for FY 2006

Combined Balance Sheet – All Fund Types (p. 20-21 of O.S.)

See page 8 of Riverton City's audited Financials for FY 2006

Combined Stmt of Rev, Exp, & Chgs in Fund Bal – All Funds Types (p. 22 of O.S.)

See page 9 of Riverton City's audited Financials for FY 2006

**General Governmental Tax Revenues by Source
Last Ten Fiscal Years (p. 23 of Official Statement)**

Riverton City				
General Government Tax Revenues by Source				
FY ended	General	Franchise		
June, 30	Property Tax	Sales Tax	Taxes	Total
2006	2,640,288	3,320,602	1,682,858	7,643,748
2005	2,638,251	2,633,472	1,526,759	6,798,482
2004	2,501,851	2,449,223	1,250,036	6,201,110
2003	2,301,492	2,159,925	1,086,350	5,547,767
2002	2,164,449	2,312,183	1,001,956	5,478,588
2001	1,277,650	2,050,413	856,015	4,184,078
2000	948,090	1,840,654	15,548	2,804,292
1999	844,800	1,629,644		2,474,444
1998	775,710	1,411,737		2,187,447
1997	691,032	1,338,156		2,029,188

Pledged Sales & Use Taxes Table for FY 2006 (see p. 11 of Official Statement)

Riverton City			
History of Sales & Use Tax			
FY ended June, 30	Sales Tax Revenue	<u>Change from Prior Year</u>	
		Amount	%
2006	3,320,602	687,130	26.1%
2005	2,633,472	184,249	7.5%
2004	2,449,223	289,298	13.4%
2003	2,159,925	(152,258)	-6.6%
2002	2,312,183	261,770	12.8%
2001	2,050,413	209,759	11.4%
2000	1,840,654	211,010	12.9%
1999	1,629,644	217,907	15.4%
1998	1,411,737	73,581	5.5%
1997	1,338,156	248,809	22.8%
1996	1,089,347	81,152	8.0%
1995	1,008,195	205,453	25.6%
1994	802,742	62,703	8.5%
1993	740,039	110,860	17.6%
1992	629,179		

Updated Franchise Tax collections for FY 2006 (see para. 5, p. 12 Official Statement)

Riverton City				
History of Franchise Taxes				
FY ended June, 30	Energy	Telephone & Communication	Mobile Phone	Total
2006	1,108,504	574,354	included with telecomm	1,682,858
2005	983,713	543,046	included with telecomm	1,526,759
2004	891,040	206,501	152,495	1,250,036
2003	732,606	215,120	138,625	1,086,351
2002	693,029	205,669	103,258	1,001,956
2001	676,957	179,058		856,015
2000		15,548		15,548